The NATIONAL UNDERWRITER

THURSDAY, MARCH 2, 1950

THE NATIONAL UNDERWRITER. Published weekly (with one additional issue in April and May) by The National Underwriter Company. Office of Publication, 175 W. Jackson Blvd., Chicago, Ill., U.S.A. 54th year, No. 9, Thursday, March 2, 1950. $6.00 a year (Canada $6.00). 20 cents per copy. Entered as second-class matter April 26, 1931, at the post office of Chicago, Ill., under Act of March 3, 1879.

WEEKLY NEWSPAPER OF INSURANCE

The NATIONAL UNDERWRITER

March 2, 1950
54th Year, No. 9

Agents Get Well Rounded Fare at Mich. Rally

More Than 700 Attend Midyear Convention at Detroit

By JOHN C. BURRIDGE

DETROIT—The more than 700 registrants for the midyear meeting here last week of Michigan Assn. of Insurance Agents were treated to a one and one-half day fare of panel discussions and talks that covered practically every problem of major importance in the business from an agency standpoint.

Leon J. McVoy

George W. Carter

Bad weather kept many agents from showing up until the last minute, but early absences were made up for by the enthusiasm with which the sessions were entered into. The association officers and W. O. Hildebrand, executive manager, had prepared a program that was quality throughout and it measured up to the high standards that the association has become noted for in its conventions.

W. O. Hildebrand

C. W. Tye

The only official business transacted was the adoption of a resolution asking that the National association look into the possibilities of obtaining a single limit automobile policy for bodily injury and property damage.

Talks were given by Ellis H. Carson, president of National Surety, on fire legal liability; Thomas Y. Beams, vice-president of Royal-Liverpool, on disability benefit laws; Charles W. Tye, tax counsel of Royal-Liverpool, on agency taxes; Harold D. Moore, vice-president of Wolverine, on the new garage liability policy; and there was an informal discussion of agency expenses led by Kenneth E. Ross, local agent of Arkansas City, Kans., and a thorough report on midwest conference committee activ-

(CONTINUED ON PAGE 9)

Moser Tells How to Keep FTC in Its Place

To the everlasting credit of the state insurance commissioners is the militant attitude that was taken at the federal trade commission hearing at which the proposed FTC rules governing auto finance business were considered.

This pat on the back was delivered by Henry Moser, general counsel of Allstate and prominent member of the all-industry committee, in addressing a well attended insurance membership group of Union League Club of Chicago Monday.

For the first time, the commissioners "demonstrated that they did not believe that they were arguing with the inevitable, nor that the only argument available with an east wind was to put on an overcoat," he said.

Five of the seven members of the N.A.I.C. liaison committee, including Insurance Director Hershey of Illinois, the speaker stated, appeared at the hearing and clearly and unequivocally asserted FTC has no jurisdiction and insisted upon deletion of the words "insurance companies" from proposed rule 4 which by its terms is expressly applicable to insurance companies as well as to sellers of automobiles and financial institutions with regard to advertisements and statements concerning insurance rates and coverage, finance charges, costs and the like.

May Have Salutary Effect

A few more demonstrations that the commissioners do not propose to bow "to any mercenary feather one's own nest construction of an act of Congress may well avoid further attempts to impose dual supervision upon what is now the most highly regulated business in our economy," he said.

However, all hands must recognize that there are still some gaps and crevices in state laws that must be filled. The best mortar for that purpose is the unfair trade practices acts.

Such acts must be passed in the 24 that have so far failed to act. After that they must be enforced. It will be much easier for commissioners to do a good job than to explain why they didn't. Even though FTC has no authority to question the adequacy of state regulation, Congress does have such authority and public law 15 may be amended or repealed by it at will.

Insurance people should lend their influence to getting adequate appropriations for insurance departments.

Sherman Act Came First

When public law 15 was first enacted, the Sherman act appeared as the most pressing problem and prime attention was given to rating bills. The impression was erroneously created that FTC act was relatively unimportant. Actually if federal supervision is to envelop insurance its first attacks will come by reason of the FTC act. The insurance business and commissioners must meet this problem with the same enthusiasm and vigor they exhibited in connection with the Sherman act.

Mr. Moser spoke of the Washington dispatch reporting that FTC is split on the extent of its authority to regulate insurance. Mr. Moser said he firmly believes that if a state has any statute on its books governing unfair trade practices in insurance, the federal trade commission act is inapplicable. Senator McCarran, one of the authors of PL 15, said so very clearly and apparently Acting Chairman Lowell B. Mason of FTC takes this view. However, a block within FTC seems to feel that FTC has the authority to pass on the adequacy of state administration. "Unless they can be convinced of their error an ultimate collision is inevitable and either the courts or Congress may have to say to FTC that they have enough to do to adequately enforce their own acts and that Congress never intended to set them up as judges as to whether the state statutes are being administered properly."

In addition to the mail order insurance and the auto finance pact problems, Mr. Moser mentioned that FTC has investigated certain individual companies, has conducted an examination of marine insurance despite the fact that it is expressly exempt from the act and has threatened examination of the Pennsylvania Fire Insurance Rating Bureau, notwithstanding the existence there of comprehensive rating acts.

Mr. Moser also touched on numerous socialistic tendencies in the field of automobile insurance. He referred particularly to the bill, modeled on a North Dakota statute that was introduced in New York to create an unsatisfied judgment fund for the payment of judgments arising out of the operation of motor vehicles. This would be financed by levying an additional 50 cents upon each driver's license. This would produce an additional annual levy upon motorists of more than $1½ million. The fund would pay uncollectible judgments in excess of $300 up to limits of $5,000/$10,000 B.I. and $1,000 P.D. This he condemned as socialistic legislation. In effect the state would be embarking in the insurance business and would be collecting most of the premiums from the wrong people. About 90% of the motorists in New York now carry insurance and these are the people that pay the cost of administering the safety responsibility law. The cost should be borne by all the residents. He said he fears that sentiment for this kind of legislation is spreading.

Suggests Insurance Action

He suggested for consideration of the insurance business the creation by the insurance companies of a fund for this purpose. This, he declared, would not be prohibitive in cost and might well stave off state funds. It is but a short step after the state commences levying assessments against motorists to create a limited fund, to increase the assessments and broaden the scope of payments. A North Dakota legislative commission is now studying the advisability of doing exactly that. He concludes that the cost would not be burdensome based on the experience in North Dakota and Canadian provinces. For instance, the North Dakota law has been in effect since July 1, 1947, is applicable to B.I. claims only and to judgments in excess of $300. Since then there have been 12 claims paid totaling about $26,000. The Manitoba act has been in force four years, only six claims have been paid for a total of $16,000. In Alberta the fund in three years has paid $136,000; in British Columbia there is a voluntary fund created by all of the insurers and there has been no claim presented; in Ontario a substantial sum has been paid out of the fund, in three years, exceeding $600,000 but that province does not have a modern form of financial responsibility act.

If each company would contribute toward a voluntary unsatisfied judgment fund one-half of 1% of its written premiums in the 24 states having the modern type of safety responsibility law, the annual contributions would be about $3,700,000. The New York share would

(CONTINUED ON PAGE 8)

N.A.U.A. Suspends Filings on Free Towing Service

Further Action to Await Results of New Cost Accounting Study

Free towing and labor coverage filings in Missouri have been suspended by National Automobile Underwriters Assn. and similar action is expected in Ohio. Following a special meeting of the directors last week at New York, N.A.U.A. has issued a special notice to subscriber companies stating that "a very careful review of the circumstances surrounding the broadening of the comprehensive cover to include towing and labor costs led into a consideration of the adequacy or inadequacy of existing minimum premium levels and other elements of underwriting costs." N.A.U.A. has voted to inaugurate a cost accounting study of minimum premium charges as related to the cost of placing automobile policies on the books, such study to be conducted by an independent firm of accountants, and pending the outcome of the investigation and an analysis of losses under the towing and labor costs coverage, the board has voted:

1. "To suspend those filings dealing with towing and labor costs coverage only (effective date of suspension in Ohio is under discussion with the department and will be announced promptly);

2. "That such suspension will not affect other manual rule and rate changes made effective Feb. 1, 1950, and

3. "That the filings of towing and labor costs coverage as an addition to the comprehensive coverage on private passenger automobile be not completed at this time in the other states and territories."

This sudden suspension of free towing service raises some immediate questions. Since the service was made retroactive on all comprehensive policies in Missouri and Ohio, and actually was in effect during the month of February for all new business, the problem arises as to whether the companies have assumed liability for towing for policies in force, but will not assume it for new business.

A pertinent example would be an assured whose policy expired Feb. 15 and who told his agent he would like to buy towing service. The agent could truthfully advise the man that since towing was now included in the comprehensive form, such purchase would not be necessary. The insured is therefore under the apprehension that he is covered for towing service.

Accountants Plan Rally

Directors of Insurance Accounting & Statistical Assn., meeting at Chicago, put finishing touches on some of the plans for the annual meeting of the organization at Hotel Statler, Boston, May 10-13. It was decided that John Stuart, Texas Employers Insurance Assn., president of I.A.S.A., will call the opening general session to order the morning of May 10 in the auditorium of John Hancock Mutual Life. F. W. Campbell, John Hancock Mutual, is chairman of the Boston committee.

Form Committees on Commission Problem in N. Y.

NEW YORK — Personnel of the committees of fire and casualty companies and producers that will confer on the problem of commission stabilization in New York now are being appointed, and hope has been expressed they can hold their first meeting in a week or so. For the agents, it continues to be John C. Stott, Norwich, chairman commission committee New York State Assn. of Insurance Agents, Al. C. Deisseroth, Syracuse, and John C. Weghorn, Weghorn agency, New York.

For the casualty companies the committe consists of Travelers, Indemnity of North America, and U.S.F.&G., with three alternates—Aetna Casualty, American Surety and National Surety.

The fire companies had not by midweek named their committee members.

New York City agents report that four large companies have eliminated the 10% territory in New York City. Because of bad experience 10% was paid brokers on this business. Now all N. Y. C. business calls for 15% for brokers. One large company now is paying an additional 5% on brokerage that comes from New Jersey. It is reported that upstate agents are concerned, due to offerings of companies now getting into new lines under multiple underwriting.

National C.P.C.U. Rally to Cleveland Sept. 6-8

The 1950 national convention of Society of Chartered Property & Casualty Underwriters will be held at Cleveland, Sept. 6-8.

E. J. Garson of the Garson-Blau Agency, Cleveland, will be an important factor in local arrangements.

Lower Rates for 1950 Cars

Louisiana insurance rating commission has announced a 10% reduction in collision rates on 1950 automobiles, retroactive to Nov. 4.

Insurance Women of Beaumont, Tex., heard Mrs. Dwight Kirkland of the Little agency present a study of the various policy forms and their use. The club will hold "bosses night" March 16.

Propose 2.5% Tax on Unauthorized Insurers in N. Y.

A bill has been introduced in the New York legislature to regulate and tax unauthorized insurers, including reciprocals and Lloyds, by Sen. Friedman of Brooklyn, member of the Condon joint insurance legislative committee. The tax proposed is 2½%, to be collected by stamps issued by the insurance department and affixed to policies.

The tax would apply if the insurer issued or delivered policies to residents in the state, solicited insurance in the state, collected premiums, owned property in New York in trust for the benefit of insurer or policyholders, inspected risks, or adjusted losses.

Does Not Include Reinsurance

The tax would not apply to premiums on reinsurance. The insurance superintendent would be appointed attorney for service of process. The tax would not apply to insurer or other organization doing business not for profit. It calls for $2,500 appropriation to the department to carry out the provisions of the act, which would take effect Sept. 1.

Substantially similar bills have been introduced by two other members of the joint legislative committee, one by Sen. Condon, chairman.

Appearance of the bills recalls that in its annual report to the 1949 legislature, the committee touched on the subject of taxation of London Lloyds. Apparently there was an understanding on the part of the committee that postponement of a tax bill at that time would be followed in 1950 by introduction of legislation of this kind. It is understood that disagreement has arisen between representatives of Lloyds and of the committee on this point, and there was a closed meeting of the joint legislative committee in February at which William B. Mendes and Thomas J. Healy of Mendes & Mount, counsel of Lloyds in New York City, appeared. Herbert Brownell, Jr., who was Gov. Dewey's campaign manager in 1948, appeared as counsel for Mendes & Mount.

Lloyds Pays 4% Federal

It is said that London Lloyds objects to a New York tax because of the doubtful constitutionality of tax and regulation inasmuch as the New York law does not recognize Lloyds type of operation. Lloyds already pays a 4% federal stamp tax on gross premiums in the U. S., on direct business; the 3% surplus lines tax in New York, and on reinsurance since that tax is passed on by the ceding company to the reinsurer in one form or another.

London Lloyds several years ago established a $180 million trust fund for American insured, and one right it retains is to change the situs. Mr. Friedman's bill specifically exempts from the tax any trustee holding property in trust for the benefit of insurer or policyholders. Presumably Lloyds would move the trust to some other state if there were any danger it would be taxed in New York.

Difficulty of Collection

Another difficulty in connection with such a tax is a practical one, how it is to be collected. There is no breakdown of Lloyds business by states, it is said. Apparently, it would have to be collected at the producer level.

It is Lloyds' contention that the 4% federal stamp tax it pays is more than the combined state premium tax plus federal income tax paid by companies in New York state. Some figures brought out show that in 1946, 1947 and 1948 the total federal income and state taxes paid by mutual casualty companies was 2.77% of net premiums (whereas Lloyds pays on gross premiums); stock casualty, 3.3% on net; mutual fire, 2.89%; leading stock fire companies, 3.11%, and all, 3.37%.

The insurance department is said to favor a tax and regulation of unauthorized insurers to keep the federal government out of this area.

FTC Probes Pa. Rating Bureau

WASHINGTON — Federal trade commission reportedly has been investigating the Pennsylvania Mid-Atlantic Fire Rating Bureau, on the basis of complaint received by the commission. However, Edward Thomerson, chief FTC insurance division, will not discuss the matter.

Up Texas Premium Tax 10%

The special session of the Texas legislature has approved an emergency tax measure to operate and modernize Texas state hospitals and special schools, that will place an increased premium tax of some $1½ million on all classes of insurance companies. The amendment to the omnibus tax measure increases the tax revenue from the many sources included (insurance premiums are one item) about 10%.

Wis. Agents Gird for Fight on State Fund Lines

Wisconsin Assn. of Insurance Agents is currently spearheading a militant campaign to resist the inroads of the state fire insurance fund, and even to gain back business that has been in the state fund for a number of years. Urban Krier, executive secretary of the association, is devoting much attention to this activity.

The attack is being pin-pointed on specific lines. For instance, just recently the case for private insurance has been brought forcibly to the attention of the city of Two Rivers and there is much hope there that the city council will see the light. The fire insurance business there has been in the state fund for about 15 years. Recently the city council there voted to place the comprehensive coverage on the village fleet of motor vehicles with Providence Washington through a local agent.

Exceptions Are Noted

Under the statute, once the governing body has adopted a resolution to place its insurance in the state fund, all property must be insured in the fund with two exceptions, one being that personal property can be insured with private companies. It was because of this provision that the day was won for private insurance on the automobile fleet at Two Rivers.

Approaches have been made to the Green county board of supervisors at Monroe and high hope is held that private insurers may win back their patronage there.

Some observers believe that frequently the agents are responsible for losing public business to the state fund. Usually where the state fund is accepted, the agents were not organized and proper service was not rendered to the public governing board. There are some who contend that insurance, being a service and not a commodity, should not be subject to bid. The fact that the governmental units usually ask bids on insurance is what has caused the state fund to prosper in Wisconsin, according to this theory. Many of the highest type of companies feel it is a waste of time to submit bids on public risks. Hence agents obtain bids from dividend-paying companies or those operating as off-tariff institutions. Sometimes these companies, it is claimed, skimp on service and as a result the governing bodies see no reason why they should not put the business in the state fund at a saving of perhaps 50%.

On the other hand, where the agents are organized and are giving real service, the state fund is not a threat. The agents provide the insurance in the best companies and the highest grade of service is provided. Many believe that the best method is to have the business handled through a committee representing all of the agents. This gives assurance that the public gets the best consistent attention.

The insurance program for Rock county handled by the insurance agents' association of that area is regarded as a model setup. This embraces the cities of Beloit and Janesville.

McKelvey Joins Gulf As Kansas State Agent

Gulf has employed Edwin L. McKelvey as state agent for Kansas with headquarters at Wichita. He formerly was an underwriter and special agent for Northwestern National in California, and more recently was in the local agency business at Cortez, Colo.

WILLIAM E. CARROLL, head of the Olmstead & Carroll agency, oldest at East Hartford, died. He had been a member of the board of education 35 years.

Give Attention to Idea of Extending Louisiana Fire Policy to Other States

Especial interest attaches to the scheduled discussion of the Louisiana fire policy setup at the N.A.I.A. southern territorial conference at Biloxi March 16-18. This is true because there have been conferences lately in which agents have gotten the idea that if the Louisiana arrangement is actively desired by the agency forces, it will be introduced in at least six other states.

At Biloxi leading the discussion will be W. W. Sampson, manager of S.E. U.A.; J. L. Ebaugh, Birmingham; William Bizzell, manager Louisiana Rating & Fire Prevention Bureau; Gibson Stevenson of Houma, chairman of the forms committee of Louisiana Assn. of Insurance Agents.

The Louisiana policy was adopted legislatively in 1944 and put into use in 1945. Credited with having been the main factor in deciding on the design is William Daniel of the Querbes & Bourquin agency of Shreveport, who was then chairman of the forms committee of L.A.I.A.

Partisans of the Louisiana form say that by placing the cover in a position so as to be a continuation of the face of the policy and written horizontally it becomes a one write transaction. All the information needed by the insured is on the first page with no forms to fold or refold. Standard types of forms of letterhead size are utilized and these are pasted into the inside of the policy and require no typing and no signature, and are referred to on the face of the policy by number. No forms are attached to daily reports and this reduces filing space, brings about faster processing in stamping bureau and company offices. There is a reduction in postage. The open top makes for ease in corrections without removing the policy from the typewriter.

R. W. Carey A. & H. Head of Sun Indemnity

Sun Indemnity has appointed Robert W. Carey superintendent of A. & H. underwriting department succeeding C. F. Selling, resigned. Mr. Carey was with Fireman's Fund Indemnity 1936 to 1943 as underwriter. In 1946 and '47 he was underwriter and production manager of Eagle Indemnity, then was chief underwriter in the commercial A. & H. section of Royal-Globe-Eagle.

F. & G. Names Two New Assistant Secretaries

Fidelity & Guaranty has elected James E. Hackett and Howard C. Johnson asistant secretaries.

Mr. Hackett joined F. & G. in 1930 at the home office and worked in various departments until 1939 when he was made special agent in Maryland. He served in that capacity until 1942 when he was called back to the home office and later made underwriting manager supervising the mountain states and Pacific Coast, in which position he will continue.

Mr. Johnson started in his native state of Indiana in 1919 as a local agent and later he was special agent in Pennsylvania. He went with F. & G. in 1929 as underwriter and later became underwriting manager supervising the eastern division. He is now manager of the reinsurance and brokerage departments at the home office.

N. C. Hearings Called On Auto Finance Cover

Commissioner Cheek of North Carolina has called a hearing for March 16 of all persons interested in the field of providing life and accident and health insurance on the lives of automobile purchasers in connection with automobile finance deals.

There will be a hearing March 18 on questions relating to providing physical damage coverage on automobiles that are financed.

N. H. Rate Changes

New Hampshire Board of Underwriters has ruled that property eligible for term insurance may be written on a budget plan with staggered expiration date providing equal annual premiums.

Fire insurance rate on unprotected dwellings in class 6 are reduced from 80 cents to 70 cents and there is a new increase charge for boarding houses used as winter sports hostels.

A new seasonal hotel tariff is being prepared that will contain a no winter occupancy provision. Deletion of this limitation will require an increase of 20% in the net rates.

$620,655 in N. Y. Excess Lines

With the liberalization of the excess line law in 1948 in New York, to include casualty lines as well as fire, this type of premium jumped from $66,000 in 1947 to $620,655 in 1948.

"I KNOW IT'S TOUGH BEING A 'CHICKEN'—BUT ALL YOU NEED IS ONE GOOD CAR SMASH-UP AND THE FELLOWS WILL TREAT YOU OK."

Clark Assails Fire Companies for Lack of "Buyer-Interest"

Ernest L. Clark, assistant treasurer J. C. Penney Co. in a talk before Risk Research Institute at New York asserted that insurance is the only business in which a buyer cannot buy what he wants but must buy what is offered at the price the seller fixes. Buyers have no bargaining right; no voice in the fixing of rules, in the charges, or in the wording of contracts, he added.

Mr. Clark found little similarity between the method of operation of fire and casualty companies, even though controlled by the same interests. The fire companies, he said, "are no longer the locomotive but the caboose in insurance operations." Their rules are archaic and their methods of making rates are so different in each state that even though the same hazards and physical aspects of two risks may be identical, the resulting rates are vastly different according to the state in which the property is located. Therefore, some plan such as the Escott plan must be devised to create a reasonable basis for writing various locations for one assured which are located in different states.

The need for such a plan is created by every risk that has several locations, particularly in different states on which the total premium is large enough to justify its own rating, Mr. Clark explained. He stressed that it is not a plan to produce a special rate treatment discriminating unfairly against other risks. The fire companies can require rating bureaus to charge a surcharge on this class of risk if the experience is bad, as has been done successfully in casualty risks.

Citing a few instances of the many differences in the rules of various states, Mr. Clark opined that such discrimination is more likely to cause federal intervention than a standard method of rating.

Mr. Clark remarked that in New York a group of companies is leading an attack on the commissioner for approving the Escott plan. He believes, while not perfect, this plan is at least a step toward providing a method of rating large multiple location risks by a contract under which multiple location operations could live and buy insurance. Because of a lack of cooperation, Mr. Clark said large multiple location risks, being unable to obtain insurance to meet their needs at a fair price, are going out of the stock company market with the resultant loss of good business to stock companies. This will unfavorably affect their experience and raise costs to all policyholders.

Casualty companies have shown an enlightened attitude by taking buyers into their confidence in rating matters and by instituting national rating plans. Mr. Clark said fire companies must conduct a similar campaign. Emphasizing that buyers want the insurance market to provide them with the coverages they need, he added that they should have a voice in the formation of rates, rules, and contracts. He called for a strong national association of buyers to help bring this about.

TRAVELERS FETES ROCKWOOD

Jesse W. Randall, president, and Esmond Ewing, vice-president of Travelers, will give a dinner party on March 9 at the Union League Club in honor of the Rockwood Co. agency of Chicago, which recorded an outstanding gain in premiums during 1949.

The agency will soon take more space on its floor in the Field building, and is planning eventually to construct a glass partitioned room for its I.B.M. equipment. This is another in a series of expansion moves.

L. R. Fisher, manager of the fire department, has given four of a series of eight weekly lectures to Rockwood producers on fire and marine.

Improved Policy Format Usable in 40 Jurisdictions

All jurisdictions except Alabama, Florida, Georgia, Louisiana, Massachusetts, Minnesota, Mississippi, New Hampshire, South Carolina, Texas and Virginia have approved use of a greatly improved format of the first page of the standard fire policy, on which a special committee of the National Board, headed by Leonard Peterson of Home, has been working since 1940. Approval is still pending in Virginia.

The agents' southern territorial conference wants to use the Louisiana style policy in southeastern states. The National Board committee has been asked to aid the special policy committee of Southeastern Underwriters Assn. to arrange the first page of the Louisiana contract to keep to a minimum the number of policies.

Four Were Not Approached

Since the legislatures in Massachusetts, Minnesota, New Hampshire and Texas have not adopted the New York standard policy, supervisory officials of those states were not approached.

The additional provisions required in Hawaii, Maryland, New Mexico and Vermont can be printed on the fourth page when policies are imprinted for agency use. A similar procedure may be followed for Nebraska in connection with the Kansas, Nebraska and North Dakota policy.

One Operation Policy

The redesigning of the face of the policy and the daily reports speeds up policy writing and coding. The savings thus effected will far exceed the savings in printing costs. The first page and the daily report now are identical in 40 jurisdictions despite the fact that the policy differs in some respects in several states. These differences are minor.

The one operation, open top style has been designed to conserve time in policy writing. Its advantages are that errors in typing can be corrected without removing the policy from the typewriter, and the filing face can be completed without inserting the policy in the typewriter a second time.

Procedure for Policy Writer

The following procedure is suggested: 1. Insert carbon on top of each daily report, starting with last daily report. 2. Adjust carbons evenly to bottom fold and to left side. 3. Hold set together with one hand while other hand separates last page of policy from set, and release last page. 4. Insert into typewriter and align top of policies and dailies. 5. Position policy set so first typing is slightly above the hair line printed above words "Renewal of Number" in upper, left corner.

6. On manually operated typewriters, type each successive line using ratchet arm for turning the platen. On electrically operated typewriters, type each successive line using carriage return button. As is usual in typing a typewriter-spaced policy, or any other kind of typewriter-spaced set of forms, it is necessary to adjust about every six inches, depending on how many dailies and carbons are included in the policy set. You can't type a set of policies or forms using the "ratchet" or carriage return button unless such adjustment is made.

7. After typing last entry on policy (countersigned date), hold set in one hand, place index finger of that hand between first page of policy and first sheet of carbon paper while other hand revolves platen. When end of dailies and carbon paper is reached, remove them and lay to one side. 8. Continue to revolve platen until first entry space in filing face is reached. Align typing to agree with first entry space and complete the typing of the filing face.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago
Feb. 27, 1950

	Par. Div.	Bid	Asked
Aetna Casualty	3.00	97	99
Aetna Fire	2.20*	63	64½
Aetna Life	2.50	65	66½
American Alliance ...	1.20*	25	26
American Auto	2.00	56	58
American Casualty ..	.80	16½	17½
American (N. J.)	.90	21½	22½
American Surety	2.50	65	66½
Boston	2.40	63	65
Camden Fire	1.15*	23	24
Continental Casualty.	2.50*	69½	72
Fire Association	2.50	64½	65½
Fireman's Fund	2.60	92	94
Firemen's (N. J.)....	.60	23	24½
Glens Falls	2.20*	53¾	55
Globe & Republic....	.60	13	14
Great Amer. Fire....	1.30*	31	32½
Hanover Fire........	1.60	35½	37
Hartford Fire	3.00	123	125
Home (N. Y.)........	1.60	36	37
Ins. Co. of North Am.	3.50*	107	108
Maryland Casualty ..	.75	21	22½
Mass. Bonding	1.60	30½	31½
National Casualty ...	1.50*	30½	32
National Fire	2.50*	64	66
Natl. Union Fire.....	1.40	38	39½
New Amsterdam Cas..	1.30	42	44
New Hampshire	2.00	46	49
North River	1.20	26½	27½
Ohio Casualty	1.20	55	Bid
Phoenix, Conn.	3.00*	103	105
Preferred Acc.	...	5¾	6½
Prov. Wash.	1.50*	35	36½
St. Paul F. & M.......	2.60	99	101
Security, Conn.	1.60	37½	38½
Springfield F. & M....	2.00	47½	49
Standard Accident ...	1.60	39	40½
Travelers	12.00	445	460
U. S. F. & G..........	2.00	53	54½
U. S. Fire	2.00	65½	67

Dudley H. Luce Retires

Dudley H. Luce has retired as Michigan state agent of Providence Washington after 30 years service. Mr. Luce, who entered field work in 1909 for Phoenix of Hartford, left immediately for Arizona where his son, Charles C. Luce, is state agent of Phoenix. He plans to vacation there for the remainder of the winter, indulging his hobby as a color photographer. Mr. Luce's father, C. H. Luce, was Phoenix state agent in Michigan for 40 years.

The Providence Washington Lansing office is being continued under supervision of Orrin Ford, superintendent of agents, Chicago.

William C. Wigand of Conkling, Price & Webb agency is addressing an evening meeting of **Chicago Insurance Accountants Assn.** March 9 on "Why the Insurance Accountants Assn. is Important to You."

Security Men Are Elevated

Security of New Haven and Connecticut Indemnity have elected Ernest V. Goodwin, a vice-president of Security since 1948, vice-president and secretary of both companies. He has spent practically his entire business career with the company, which he joined in 1913.

Calvin N. Shepherd, secretary and treasurer, becomes vice-president and treasurer. He joined the companies in 1939 in the investment department.

Advanced to secretaries were Louis A. Strong and E. Otto Redwitz, assistant secretaries. They have been with Security for many years. Mr. Strong has been in charge of the fire loss department. Mr. Redwitz was state agent in Kentucky for many years and since 1946 has headed the agency development department at the home office.

Two Assistant Secretaries

James C. Leech and Ralph G. Tanger were elected assistant secretaries. Mr. Leech entered insurance in 1925 and after years in the field joined Security in 1938 as state agent for North and South Carolina. In 1948 he transferred to the home office as supervising fire underwriter for southern states, the position he now holds. Mr. Tanger entered the business over 20 years ago and in 1940 joined Security as manager of the western marine department with headquarters in Chicago. In 1948 he transferred to the home office as inland marine manager of nationwide operations. All officers were elected to similar positions in both companies. This places the official staff in a position to coordinate operations of fire and casualty lines as multiple line underwriting develops.

Marshall Speaks at Phila.

E. H. Marshall, superintendent special risk department Indemnity of North America and A. & H. department superintendent at the New York office, will discuss special risks accident coverage, foreign and domestic, for the corporate insurance buyer before Insurance Managers Assn. of Philadelphia March 3.

Women Add 13 Clubs

National Assn. of Insurance Women has added 13 new clubs since July.

Many Bills Are Enacted in Ga.

ATLANTA — When the 1949-50 Georgia legislature recessed after being in session for 41 days of its constitutionally limited 70-day session, it had several bills dealing with insurance in various stages of development on its calendars. It recently reconvened and was in session for 29 days, to complete the full legislative term. Several insurance bills were enacted and are now approved by Gov. Talmadge.

In February, 1949, a senate joint resolution authorizing the creation of an insurance code commission was enacted. This has now been amended by making the expenses of the commission payable out of the regular appropriations for the insurance department, and providing that the commission members shall be selected and recommended by the insurance commissioner, for appointment by the governor. Under this amendment, the proposed commission will have more time and leeway in which to study and make its report.

Unauthorized Bill Modified

There have been enacted modifications of the N.A.I.S. unauthorized insurers regulatory bill.

Another enactment removes the 50 mile limit of territory in which any hospitalization corporation could operate, plus a few other liberalizing features.

Another new law sets up and deals with non-profit medical and hospital insurance. It was sponsored by the medical profession and some of the companies. And like other non-profit legislation, it vests supervision of rates, etc., in the insurance commissioner.

Another successful measure authorizes group insurance arrangements to be made, on a voluntary basis with private companies, by employes within any department of the state government, along with a deduction of their premium from payroll deductions.

Uniform License Fee

Another new law deals with fire insurance on motor vehicles, as to representations or warranties made in application or the policy contract.

There was enacted a bill for a uniform license fee of $300 annually for all companies, repealing the several different fees now charged companies under different classifications, and for a $10 annual occupational tax for all company and local agents, in lieu of the varying fees heretofore charged company agents and the $10 tax for each county a local agent operated in. It is effective Jan. 1, 1951. Hereafter agents will operate on a state-wide territory basis.

The insurance department sponsored the measure for uniformity and enforcement reasons.

Peerless Casualty Shows Big Jumps in 1949 Results

Net premiums written in 1949 by Peerless Casualty totaled $5,794,224 as compared with $4,741,476 in 1948, an increase of 22.2%. Total earnings were $672,745, an increase of 47.1%.

Assets of Peerless are $9,793,462, up 36%, and capital has been increased to $1,250,000. Surplus is $1,850,000 and policyholders' surplus is $3,316,321.

Form Pike County Board

Pike County, Ill. Board of Fire Underwriters has been organized with C. A. Barber, Pittsfield, as temporary president; Henry Seeds, Griggsville, vice-president, and Richard Neibur, Pittsfield, secretary-treasurer.

About 24 attended the organization meeting, and the moving spirits were N. McCullough Winters and V. G. Musselman, Quincy local agents, Arthur Goodall, state agent of Phoenix of Hartford, and Harold Williams, state agent of American.

Nine Pittsburgh Presidents Featured

Here are the presidents of nine insurance organizations at Pittsburgh that are scheduled to Address the opening session next Monday morning during Pittsburgh Insurance Day. Left to right seated are—Horace T. Cator, Fidelity & Deposit, president Surety association; C. H. Bokman, New Amsterdam Casualty, president Pittsburgh Assn. of A. & H. Underwriters; Paul L. Wellener, Jr., Maryland Casualty, president Casualty Insurance Assn. of Pittsburgh; Charles A. Morgan, Home, chairman Mariners Club.

Standing: Charles Gable, U. S. Casualty, president Pittsburgh Casualty Claims Assn.; Douglas W. Rodda, National Union, president Pittsburgh Fire Loss Conference; William A. Shaw, W. J. Kellar agency, president Pittsburgh Assn. of Insurance Agents; Paul L. Mechling, Phoenix Mutual Life, president Pittsburgh Life Underwriters Assn., and Cheston M. Berlin, America Fore, president Smoke & Cinder Club.


You too can reap the benefit of America Fore national advertising and sales promotional help by representing an America Fore company. Ask the America Fore Fieldman about it.
POST
Newsweek
LIFE
TIME
Better Homes and Gardens
Farming
Look for This Seal on Your Policies...
America Fore
INSURANCE GROUP
THESE FIVE COMPANIES COMPOSE THE AMERICA FORE INSURANCE GROUP
CONTINENTAL • FIDELITY-PHENIX • NIAGARA • AMERICAN EAGLE
FIDELITY AND CASUALTY COMPANY OF NEW YORK
BERNARD M. CULVER, Chairman • FRANK A. CHRISTENSEN, President
The CONTINENTAL INSURANCE COMPANY
FIDELITY-PHENIX
NIAGARA
AMERICAN EAGLE
The Fidelity and Casualty Company of New York
Rely on your local America Fore Insurance Man for sound insurance protection — and for full, friendly help in settling claims! To locate your nearby America Fore Insurance Man, call Western Union by number, ask for Operator 25.
Throughout the year America Fore advertising will appear in:
• THE SATURDAY EVENING POST
• LIFE
• NEWSWEEK
• TIME
• BETTER HOMES AND GARDENS
• SUCCESSFUL FARMING

New Competitive Threat to Organized Market Is Weighed

Idea of Extending the Principles of F.I.A. Is Under Consideration

Top rank stock fire insurance executives have been holding sessions recently on the idea of applying the pool underwriting principles to certain large risks that are now subject to competition but that do not qualify for Factory Insurance Assn. treatment. C. W. Pierce, president of F.I.A., it is understood, at one of these meetings suggested a program for handling this business within the F.I.A. household.

In the call for the meeting, it was stated that in recent years the organized competitors of F.I.A. have materially expanded the classes of risks accepted and presently are actively negotiating country-wide for sprinklered risks with somewhat lower standards of protection than heretofore for such lines as chain theaters, department stores, national airline accounts, fireproof hotels, municipal schedules, including school buildings, public housing developments, transit properties, whiskey distilleries and inventories in standard protected warehouses and other miscellaneous desirable accounts, including unsprinklered factories. Practically all of this business is being handled at rates considerably

(CONTINUED ON PAGE 34)

Output Policy Is Related to Escott Plan Issue

The utmost attention is being given these days to the controversy surrounding the manufacturers output policy which was originated by Aetna Fire and against which the joint committee on interpretation and complaint has declared war. Several big lines, it is reported, have already been written under this form. It is designated as a policy for automobile manufacturers but observers see no reason why it has to be confined to that particular line. It would be adaptable to any manufacturer.

Whatever the purpose behind the promulgation of this form may be, it seems to be having the effect of creating pressure for a speedy settlement of the Escott plan controversy. Aetna Fire has been a supporter of the Escott plan and this move on its part could be interpreted as evidence of impatience on the part of that company with the lack of progress in getting set up an effective scheme for handling multiple location risks. The plan is causing particular interest in Michigan, as the automobile manufacturing center, and inasmuch as this policy has been labeled at the outset at least, as an automobile manufacturer's policy.

Opens at Charlottesville

Ralph C. Jamison of Southeastern Adjustment Company, Greensboro, N. C. has formed a new partnership with G. C. Gentry for the purpose of opening an office at Charlottesville, N. C. This office is under the direct management of Mr. Gentry who has had some 12 years of experience in adjustment. Southeastern Adjustment has offices at Greensboro, Greenville, Durham, Winston-Salem, and Charlottesville.

Forbes Answers R. I. Press Release: 'No Agreement Reached'

LANSING, MICH. — Commissioner Forbes has mailed to all members of National Assn. of Insurance Commissioners a reply to what was earlier termed a "premature" statement relative to the conference examination report on the Rhode Island released to the press a few days ago by Commissioner Bisson of Rhode Island.

Mr. Forbes explained that "as president of N.A.I.C. I have no authority to speak for the association on matters pertaining to examinations," but he added, "speaking solely as commissioner of Michigan and as one of those commissioners present at the meetings held at Providence and Philadelphia" the Bisson press release "pertaining to the Rhode Island examination and to the deliberations by the several commissioners and examiners has been misconstrued."

No Agreement Reached

"No agreement was reached," states the Forbes letter, "nor was there any attempt to bind the commissioners of the several states where the Rhode Island is licensed as to whether or not Rhode Island, under the facts disclosed in the report of examination, was solvent under the standards of some of the states.

"At the meetings held at Providence and Philadelphia it was my belief that it was most essential that a report of examination be completed which would make a complete disclosure of all the facts and issues involved in order that the commissioners of the states in which the company was licensed could be fully informed. In my opinion these objectives were accomplished by the present completed report.

"The most that is stipulated pertaining to solvency in the report of examination is that, under the standards set by Rhode Island laws, the company met with the requirements as to solvency as of Dec. 31, 1948.

Minority Report Possible

"I have been informed that the Indiana examiner who participated in the examinations representing zone 4 of N.A.I.C. has not signed the report of examination and it is possible that he will prepare a minority report.

"Under rule B, subsection 5 of the rules of N.A.I.C. pertaining to convention examinations both the majority and minority reports of examinations, if desired, are to be filed with the chairman of the examination committee. If solvency is not involved, the chairman is empowered to conduct a hearing. Where solvency is involed the chairman does not have such authority. In such event, the issue goes directly before the commissioner of each state in which the company is licensed.

"When the report or reports of examination are received by the commissioners of each state in which the company is licensed it becomes the duty of each commisioner to review such report or reports and construe the findings of the participating examiners under the laws of his state."

Earlier Commisioner Forbes and Commisioners Bowles of Virginia, chairman, and Martin of Louisiana, vice-chairman, had isued a brief press release characterizing Commissioner Bisson's claim that the examination report found the Rhode Island solvent as "premature and without authority." It was noted also that "any action or recomendation by the examinations committee may be persuasive but is in no way binding on the association."

Open Baltimore Claim Office

St. Paul group has established a claim office at Baltimore with Richards Hallock as manager. The office will handle Maryland and District of Columbia.

N. Y. Presents Its Views on Multiple Location Matter

McCullough Starts Presentation of Department's Case

NEW YORK—The position of the New York insurance department on multiple location risk business, the discount-surcharge plan which it approved last year, and arguments advanced by the several companies that appealed from the approval of that plan was presented at the hearing here by Roy C. McCullough, deputy superintendent. This is a summary of what the department will seek to show and is expected to take four or five days to present. The hearing is being conducted before Deputy Superintendent Alfred J. Bohlinger and after a Monday session will be resumed again Thursday.

The New York insurance law permits the fire business to charge non-competitive rates on much of the volume it handles and competitive rates on some of the business it does, Mr. McCullough said. The law specifically provides for competition, deviation, etc. The rating law does not say the department shall consider competition in making rates, yet the business does not work in a vacuum; the exigencies of the marketplace must be considered. The department considers matters pertinent to the rates in accepting a filing, including competitive factors. He cited as examples, increased building costs, the higher price of labor that enters into replacement, etc.

Department Can Step In

It is argued that competitive rates are discriminatory, that the largest and most influential insured get the best rates. He admitted that unrestrained competition can become cutthroat, but that this is not the kind contemplated in the rating law. The department has the power to step in before a situation gets out of hand; it did not have that power before rating legislation was passed.

Under the Interstate Underwriters Board, when only Texas and New York regulated fire rates, the fire companies met the requirements in those two states but made a mockery of regulation by promulgating ridiculously low rates in the unregulated states. There was no uniformity of treatment of risks under I.U.B., there were no uniform rules, yet examiners of the New York department found that I.U.B.'s general rate level for multiple locations risks was entirely too high.

In discussing the plan itself, he said it has one defect which should be corrected. This is that the multiple location risk business should not be reported by the Multiple Location Service Office to the National Board so that it is mixed with general experience and in that way shows up in figures on which general rates are made. The companies insisted that this highly specialized experience be included in National Board figures, and he said, the department erred in going along on this point. It is not an answer, as has been suggested, to adjust multiple location risk business to the regular base and throw it in with National Board figures.

He said that the New York loss ratio on multiple location business has been more favorable than on fire business

(CONTINUED ON PAGE 24)

Arguments Against Installments As Viewed by C. & R.

Some interesting points were brought out by Hugh Garland, Corroon & Reynolds, in his appearance at the Massachusetts hearing on the installment plan. Discussing the adequacy of the charge for credit under installment programs, he cited the following figures:

On a three year policy with an annual premium of $100 and a three year term premium of $250, North America plan charges $6 for credit, or $256 for the term. Liberty Mutual Fire charges $11.25 for credit, or a total of $261.25. General of America charges $13.75, total $263.75, and Hartford Accident charges $20, or $270. He wondered which is adequate and which is inadequate. He pointed out that Massachusetts law provides that if the insurer overcharges on a premium insured is entitled to a return plus 6%.

Discriminates vs. One Year Buyer

As to discrimination Mr. Garland said if the rate is increased in the year, the annual policyholder must take the increase, but the installment payer, who has paid no more, renews his policy at the lower rate.

Mr. Garland and others made the point that under rule 52 of the New England Fire Insurance Rating Organization, a deviation therefrom must be applied to all business to which the rule applies. If the rule were enforced, any company deviating on term by by writing it on the installment basis, would have to write all term on the installment plan.

Effect on Smaller Insurers

Corroon & Reynolds more or less has taken the lead among companies in opposing installment payments, so that its argument that the plan constitutes a real threat to the solvency of smaller companies is interesting. Mr. Garland stated there is no real term contract under present plans, at least during the first year. Until the second installment has been paid, insured has paid only the premium for an annual contract and the reserves of the company should be calculated on that basis.

Under no circumstances can the company be required to return to insured any portion of a premium he has not paid. To require a company to carry a reserve on an unpaid premium, payment of which has not been contracted for and cannot be enforced, would be grossly inequitable. Yet this is exactly what would happen if the plans are ruled to be term contracts and companies are required to set up reserves for the full term premiums. None of the plans filed refers to calculation of returned premium if insured fails to meet installments when due, yet no plan can be adequately considered without it and no filing should be approved if it is deficient in this respect.

Would Crush Small Company

If it is ruled that contracts for installment payments require setting up full term reserves, the consequences to smaller companies will be ruinous. Approximately 70% of all fire business eligible for term treatment is written under term contracts, most for three years. Under installment, the swing would be to five year policies. Thus it is possible a small company might be required to set up a five year reserve, to pay five years premium tax and rating and other bureau asessments out of a one year premium. This would impose an unbearable hardship on smaller companies. They simply would have to retire from competition.

The installment plan is a competitive weapon which will restrict the field of term business to large companies, he said. If smaller companies have to decline a large volume of term business, they are going to lose their other business also. Agents will not be interested in representing companies which do not have this facility. Thus the installment plan tends to lessen competition and creates monoply, a condition which state laws and to which public officials cannot become a party.

Allowance of installment premiums as assets will not improve the cash position of the companies by one cent, will jeopardize dividends to stockholders, will result in financial statements which are misleading and deceptive because installment premiums are not binding obligations of any debtor and are not available for the payment of losses. They would disappear in the event of insolvency or even rehabilitation of a company, he declared.

Seeks F.L.S.A. Exemptions in Small Communities

WASHINGTON — From the wage and hour administration's determination that white collar beginner employes in industry, particularly in insurance offices, must be paid a minimum of 75 cents an hour under the new fair labor standards act, National Assn. of Mutual Insurance Agents has appealed. The association seeks exemption of such employes in communities of 15,000 or less population.

Cummins Made Peerless V.-P

Richard J. Cummins, assistant secretary of Peerless Casualty, has been elected a vice-president to succeed James A. Cathcart, who has joined General Reinsurance.

Fire Company 1949 Statement Figures in Tabloid

	Assets $	Inc. in Assets $	Reins. Res. $	Inc. in Reins. Res. $	Capital or Stat. Dep. $	Surplus $	Inc. in Surplus $	Net Prems. $	Losses Paid $	Loss Ratio %
Agricultural, N. Y.	23,481,344	1,541,422	10,203,801	—110,581	3,000,000	9,008,503	1,958,058	10,736,028	4,928,394	45.9
Amer. Fire, Washington, D. C.	770,863	22,292	126,375	4,011	200,000	624,402	6,452	78,743	17,501	22.2
American Reserve, N. Y.	10,411,224	1,866,841	5,874,064	1,366,645	1,000,000	2,910,011	186,638	6,083,376	1,766,909	22.0
American Security, Ga.	2,443,836	1,317,743	......	......	......	214,888	61,724	2,569,524	655,456	25.5
American Title, Fla.	2,194,938	548,142	......	......	600,000	1,009,214	238,528	911,521	90,804	9.9
American Union, Conn.	4,959,022	485,275	1,545,157	198,343	1,000,000	2,037,455	260,352	1,460,073	470,274	32.2
American Universal, R. I.	962,063	825,338	116,559	74,635	125,000	205,006	124,777	745,056	62,428	8.3
Balboa, Cal.	1,136,165	366,649	......	......	......	741,295	237,180	426,151	123,431	29.0
Bankers F. & M., Ala.	1,540,284	271,422	622,913	175,296	300,000	781,274	49,458	911,385	318,742	35.0
Birmingham Fire, Ala.	3,535,187	590,126	1,639,896	140,548	400,000	1,586,923	273,814	1,362,761	489,580	35.8
Bituminous F. & M., Ill.	725,931	72,737	108,773	—9,176	200,000	529,404	76,147	238,311	62,708	27.4
Calvert Fire, Pa.	41,389,074	17,843,393	24,887,831	11,219,390	1,000,000	10,540,359	4,544,430	32,959,429	10,777,680	32.9
Cavalier, Md.	495,459	4,370	140	—377	200,000	492,842	4,283	350	530	151.2
Central Union, Conn.	2,347,126	12,707	509,192	—127,130	500,000	1,052,742	986,319	267,334	160,366	59.9
Charter Oak	4,670,307	267,908	1,692,507	147,833	1,000,000	2,630,763	65,609	1,431,172	486,035	34.0
Emmco, Ind.	19,140,221	6,230,987	......	......	1,200,000	5,228,811	1,848,448	13,786,035	4,771,876	34.6
Empire State, N. Y.	5,934,213	304,433	2,550,950	—27,645	1,000,000	2,397,061	402,243	2,684,007	1,232,098	45.9
Eureka-Security F. & M.	12,190,555	1,607,690	6,758,670	503,812	1,000,000	4,086,561	992,848	6,246,841	2,354,092	37.8
Farmers Fire, Pa.	4,493,029	114,680	2,062,627	—32,700	......	2,081,395	187,493	1,606,215	787,794	49.0
Founders F. & M., Cal.	6,510,328	1,531,603	2,798,292	1,045,394	1,000,000	2,991,523	73,686	4,251,515*	1,085,681*	25.5
Germantown Fire, Pa.	5,212,831	—400,766	1,060,579	—280,464	1,000,000	3,956,973	—182,869	400,232	274,356	68.5
Granite State	7,476,134	363,623	3,266,964	—786,048	1,000,000	3,062,046	808,420	3,210,609	1,734,578	53.9
Great Western F. & M., Cal.	568,410	31,833	63,160	31,178	250,000	489,970	—8,873	64,798	9,875	15.2
Illinois Fire	2,894,674	468,008	1,333,494	257,257	400,000	1,253,629	63,778	1,508,454	446,985	29.6
Des Moines	8,607,971	2,219,856	464,355	380,834	500,000	2,244,537	789,274	6,341,928	2,357,528	37.1
La Fayette Fire, La.	1,678,674	143,115	288,644	2,824	300,000	1,326,743	178,905	231,312	76,992	33.1
Mayflower, O.	1,812,719	546,631	1,165,640	412,209	264,600	397,003	87,399	1,687,277	650,187	38.5
Monarch Fire, O.	4,341,635	462,303	2,048,400	138,301	819,336	1,895,066	293,210	1,870,452	696,021	40.9
Millers National, Ill.	9,403,404	850,277	5,333,979	45,554	1,000,000	3,004,153	807,018	5,250,178	2,084,868	39.7
National Grange, N. H.	1,678,227	337,803	478,356	74,844	250,000	771,902	161,320	708,633	153,282	27.9
Northwestern F. & M.	4,663,741	735,000	1,367,594	117,528	1,000,000	2,849,074	521,425	1,581,938	572,406	36.1
Penn-Liberty	1,185,359	367,036	392,435	63,163	300,000	634,881	176,275	350,607	102,672	29.1
Pearl	16,853,869	1,859,176	7,783,922	522,126	500,000	7,625,637	1,543,713	7,107,720	2,464,059	34.2
Potomac	13,312,241	1,967,335	5,730,420.	549,438	1,500,000	6,007,945	1,082,484	6,128,058	1,846,848	29.9
Rocky Mountain Fire, Mont.	1,079,017	90,614	400,662	70,966	275,000	592,207	9,367	409,587	146,590	35.8
Scottish Union & National	11,281,244	670,328	6,842,839	364,508	500,000	3,246,039	520,659	5,952,170	2,571,869	43.2
Selected Risks, N. J.	735,096	74,739	173,926	19,684	200,000	492,282	41,323	285,117	76,929	26.9
South Carolina, Columbia	3,224,743	437,157	1,556,590	211,787	500,000	1,432,936	162,536	1,153,423	374,921	32.6
Southern Fire, N. C.	4,140,753	474,657	1,914,007	180,948	500,000	1,764,622	213,910	1,726,996	611,722	35.4
Surety Fire	4,218,164	291,929	1,095,718	—12,519	1,000,000	1,822,555	59,562	2,001,740†	817,421†	40.8
Travelers	63,280,397	9,539,283	37,197,782	3,413,248	4,000,000‡	15,419,161	3,327,940	37,861,404	12,328,796	32.6
Twin City Fire	2,984,130	379,662	818,202	70,387	500,000	1,901,082	254,384	947,141	342,947	36.9
Washington F. & M.	2,811,237	412,039	1,606,595	258,941	254,500	1,037,997	165,597	1,213,227	223,775	18.3
RECIPROCALS AND LLOYDS										
Fire Exchange, Cal.	2,298,148	634,915	21,972	—16,026	......	695,143	—80,760	1,352,426	217,861	16.1
Underwriters Exchange, Mo.	1,268,117	28,718	......	—514	......	956,557	44,480	172,926	27,425	15.8
Ft. Worth Lloyds	1,117,670	55,463	564	—1,012	350,000	462,882	24,433	813,647	411,386	50.6

‡Increased from $2,000,000.
*Includes casualty business.
†Includes casualty and surety business.

"Ad" Conference Plans Completed

Plans have been completed for the spring meeting of Insurance Advertising Conference at Park Sheraton hotel, New York City, March 20. Ernest Schmattola of Publishers Printing Co. will discuss short cuts and economies in printing; Mrs. Charlotte Montgomery of Tide magazine, the woman's viewpoint; Henry Hoke of Direct Mail Reporter, that subject, and Frank Lang, manager research department Assn. of Casualty & Surety Companies, research. There will be a discussion forum midway of the program.

At the afternoon business session Walter Riley of American Surety will present a new plan for developing prospective members. The committee in charge of the conference's booklet on direct mail selling will discuss a publicity campaign designed to market the second printing of the booklet.

James F. White, advertising manager of Maryland Casualty, will discuss the questionnaires he has designed to be sent annually to insurance trade publications to get data for use of company advertising departments and agencies in preparing yearly advertising schedules. This information will be compiled on a comparative basis and mailed to all conference members. Dwight P. Ely of Ohio Farmers will be host at the president's reception in the evening.

John R. Willmott Named Secretary of Agricultural

John R. Willmott has been promoted from manager of the loss department to secretary of Agricultural. He graduated from Williams in 1929 and during his college vacations he worked for Agricultural. He went with Agricultural on a full-time basis after graduating and progressed to senior examiner in the general cover department. He served three years in the army and then on his return was assigned to the loss department and became its manager in 1948. His father was P. H. Willmott, who was president of Agricultural from 1924 to 1928.

Opens Two Service Offices

North America has opened two new service offices in New York at White Plains and Hempstead, Long Island.

The White Plains office services agents in all classes of business for the counties of Westchester, Putnam, Orange, Rockland; the Bronx, east of the Bronx river, and Richmond, excluding the New York docks. Rodman C. Clark has been named manager of the fire, automobile and marine departments in White Plains, and Beverly P. Smith has been made manager for the business of the indemnity company.

D. Edwin Misner has been appointed manager of the Long Island service office in charge of fire, automobile and marine. Laurance Thompson has been appointed assistant manager, and will be in charge of casualty and bonding business. The territory of this office comprises the counties of Suffolk, Nassau, and Queens, except Long Island City and Astoria.

Celebrates 25th Anniversary

The C. B. Snyder organization (insurance and real estate) celebrated its 25th anniversary with a banquet for 200 at Jersey City. C. B. Snyder, president and founder, presided. It started as a one-man firm in 1925 but now employs more than 75 persons. The main office is at Hoboken.

Austin Group Gets Charter

The newly organized Austin (Tex.) Mutual Insurance Exchange was presented its charter at an inaugural banquet by M. Abbe Strunk, president of the San Antonio Mutual Exchange. Thomas Harper, Jr., is president of the Austin group. Robert Munn, Dallas special agent of Grain Dealers National Mutual, reviewed the history of mutual fire insurance.

Guests included Casualty Commissioner Gibbs and Mrs. Gibbs, R. V. Ricketts and Raymond Hulsey, Texas Automobile Insurance Service Office; Orville Munson, Texas department, and Wray Clark, Fort Worth, president Texas 1752 Club.

Animo Revertendi of Wayward Employe Doesn't Bar Recovery—Fla. Verdict

Fireman's Fund has been held liable by the Florida supreme court under the theft provision of a policy for damages done to a trailer-truck after it had been "stolen" by a wayward employe of the insured, the case being Fireman's Fund vs. Boyd.

L. F. Howard was the driver. He had made two previous trips for the insured. This time he was instructed to take a load from Miami to Philadelphia and return to the terminal at Wildwood, Fla., with a load if possible. He made the delivery at Philadelphia and then engaged in some strange peregrinations accompanied evidently by drinking and by numerous telegrams to his employer, that took him to New Brunswick, N. J., Chicago, and finally to Greensboro, N. C. In the latter place Howard and the truck were identified by a former driver of this insured who knew that both had been missing. Howard was seized there and was returned to Florida to answer to a charge of embezzlement lodged by the insured. He has never been tried. The truck was repossessed.

The Florida high tribunal remarked that most of the courts have taken the view that to recover under a theft policy the insured must prove the existence of animus furandi on the part of the taker and if the taking is with animo revertendi, there can be no recovery. However, the court went on to say that there appears to be a growing trend in recent decisions to rule more strictly against insurers and to extend coverage to wrongful deprivations of the property of another even though there was no intent permanently to deprive the owner of his property.

The policy, the court observed, did not exclude loss or damage due to theft by persons in the employment, service or household of the insured "although many present-day policies . . . do make such exclusions."

NAIA Steering Group Holds Chicago Parley

About 50 leaders of National Assn. of Insurance Agents were at Chicago Friday, Saturday and Sunday for activities surrounding the meeting of the executive committee there. Especial interest was taken in the meetings of the agency management committee, headed by W. B. Glassick of Los Angeles, and the commission committee, headed by R. M. L. Carson of Glens Falls, N. Y. There was also an important meeting of the educational committee of which L. P. McCord of Jacksonville is chairman and this resulted in the naming of Clarence Rauter as head of the education department at headquarters to take the place of R. E. Farrer, who on March 1 assumed his new duties as educational director of National Fire. He plans to get a school for special agents of that company under way by April 1.

Mr. Farrer was present at Chicago for his last official duties with N.A.I.A.

Chicago was definitely selected for the 1951 convention. There had been some possibility of going to Miami.

The agency management and commission committees formulated their objectives for future action.

John G. Mayer, formerly editor of the American Agency Bulletin and director of the promotion and information division, was named treasurer, succeeding Mr. Farrer.

James R. Mathews was advanced from managing editor of American Agency Bulletin to editor. Mr. Rauter, who takes over Mr. Farrer's work as head of the educational and research division, has been assistant director.

Mr. Mayer has been with N.A.I.A. for six years. Before that he was in newspaper, advertising and promotion, and public relations work, and also for a time had his own agency at Baltimore. Mr. Mathews has been with N.A.I.A. four years and before that was in journalistic work outside the insurance business. Mr. Rauter, before joining N.A.I.A., was in the insurance business, both in the brokerage and company fields.

J. Huell Briscoe of Chase Conover & Co. appeared before the agency management committee as he has conducted studies in that field and had considerable data available.

C. P. Butler, executive vice-president, headed the headquarters group at the meetings. Also present were John Neville, general counsel; Walter Bennett, counsel; Maurice Herndon, Washington representative and Messrs. Mayer, Farrer and Rauter.

Shields to National Union Head Office

Frank J. Shields, who has been western marine manager at Chicago for National Union since 1938, has now been

F. J. SHIELDS

promoted to marine manager at the home office. He will be associated with Marine Secretary Paul K. Mullen.

At the same time, Norman M. France is named Chicago marine manager and Herbert R. Boyd is assigned to the Wayne county department at Detroit as marine special agent.

Mr. Shields graduated from the business school of University of Pennsylvania in 1929 and then entered the marine insurance field with Providence Washington at the home office. He was transferred to Chicago and in 1934 went with Home in the marine field.

At the annual luncheon meeting Wednesday of the Mariners of Chicago, he was elevated to skipper of that organization.

His plans are currently complicated by the fact that Mrs. Shields the other day upon returning from a week's visit to Pittsburgh, had to undergo an emergency operation at St. Francis hospital, Evanston.

Mr. France was educated at Northwestern University and has been with National Union since 1946, most recently as marine special agent.

Mr. Boyd has been with National Union since 1930 in various capacities and for the past five years has been attached exclusively to the marine department.

Wichita Assn. of Insurance Agents had Dr. William Hubbard of the College Hill Methodist Church as guest speaker in observance of Brotherhood Week.

Fire Company Experience in 1949 by Lines

	Fire		Extended Coverage		Tornado-Windstorm		Sprinkler-Leakage		Riot & Explosion		Motor Vehicle	
	Prems. $	Paid Losses $	Prems. $	Paid Losses $	Prems. $	Paid Losses $	Prems. $	Paid Losses $	Prems. $	Paid Losses $	Prems. $	Paid Losses $
Agricultural, N. Y.	5,541,416	2,755,880	1,069,027	367,626	46,825	67,239	17,914	5,369	10,516	1,761	1,888,382	650,863
Am. F., Wash., D. C.	78,766	18,840	—23	—1,339	......	......	......	......	......	......	......	......
Amer. Re., N. Y...	4,390,877	1,258,630	832,977	112,212	81,374	37,163	12,688	3,396	835	1,051	75,170	20,066
Amer. Secur., Ga..	......	......	......	......	......	......	......	......	......	......	2,569,524	655,456
Amer. Title, Fla...	462,546	56,361	152,054	14,850	18,796	824	—1	......	90	......	143,916	14,477
Amer. Union, Conn.	776,436	330,683	138,250	39,937	7,666	7,043	3,654	634	—966	219	398,233	72,940
Amer. Univer., R. I.	19,500	4,923	1,295	35	......	......	118	86	......	......	678,143	50,701
Balboa, Cal.	36,333	......	4,360	......	......	......	......	......	......	......	385,458	123,431
Bankers F. & M., Ala.	168,990	59,943	51,353	6,012	4,281	2,037	175	5	31	......	683,024	248,944
Bingh'mt'n Fire, Ala.	754,249	307,772	279,296	68,750	30,914	3,361	1,118	456	454	316	275,975	99,863
Bitum. F. & M., Ill.	......	......	......	......	......	......	......	......	......	......	238,311	62,708
Calvert Fire, Pa..	......	......	......	......	......	......	......	......	......	......	32,959,429	10,777,680
Cavalier, Md.	......	......	......	......	......	......	....	......	......	......	350	530
Central Un., Conn.	91,213	116,573	20,760	13,144	226	4,449	900	98	1,423	—115	113,780	......
Charter Oak	921,924	336,542	198,282	52,032	3,450	3,608	4,377	661	6,062	564	......	......
Emmco, Ind.	446	3,667	......	......	......	......	......	......	......	......	13,785,589	4,768,209
Empire State, N. Y.	1,385,354	688,970	267,257	91,906	11,706	16,810	4,478	1,342	2,629	440	472,096	162,716
Eureka-Sec. F. & M.	3,961,870	1,563,537	820,701	240,513	13,740	23,407	14,174	4,229	9,185	1,143	1,035,191	386,992
Farmers Fire, Pa..	1,373,101	710,243	216,236	66,688	11,400	8,746	4,133	1,231	1,401	883	......	......
Found'rs F.&M., Cal.	853,234	183,592	288,679	23,955	281	......	574	—63	1,256	......	574,871	168,150
Germ'nt'n Fire, Pa.	203,117	187,998	256,001	40,194	—541	1,493	—542	869	—295	......	321,349	33,517
Granite State	1,950,186	1,150,764	112,089	108,964	—3,934	11,445	—3,066	580	—636	62	935,061	385,775
Grt. West. F.&M., Cal.	52,928	9,749	7,578	126	......	......	......	......	42	......	......	......
Illinois Fire	989,607	320,149	199,597	53,608	24,015	8,389	4,200	297	521	7	52,175	15,387
Ind'str'l, Des Moines	1,538,785	436,367	428,892	84,186	16,212	25,567	5,921	2,426	136	14	2,490,038	740,559
La Fayette Fire, La.	142,219	53,913	31,120	1,976	7,462	3,313	190	......	152	......	49,805	17,742
Mayflower, O.	235,644	98,165	87,346	12,602	......	......	....	......	......	......	1,364,287	539,419
Monarch Fire, O..	1,157,971	449,816	256,469	75,160	4,293	7,314	4,429	1,321	2,870	357	321,925	120,091
Millers Natl., Ill..	3,410,878	1,380,871	663,941	224,916	94,780	35,878	10,577	360	689	54	209,152	61,550
Natl. Grange, N. H.	191,865	39,110	......	......	......	......	......	......	......	......	511,251	113,762
Northw'st'n F. & M.	788,097	280,364	159,871	50,053	12,650	7,344	3,440	797	2,049	35	361,227	119,769
Penn-Liberty	67,209	70,958	11,582	9,841	694	614	......	......	......	......	271,120	21,257
Pearl	4,400,291	1,710,482	974,582	285,609	16,317	27,796	16,832	5,022	10,908	1,357	1,223,316	456,347
Potomac	2,701,031	880,168	644,652	116,061	9,056	15,107	4,202	1,203	5,924	—26	2,480,483	661,408
Rocky Mt. F., Mont.	254,372	96,059	28,811	4,849	19	3	......	......	51	......	121,263	43,555
Scottish Un. & Natl.	3,844,064	1,646,487	744,075	194,486	26,778	36,817	11,743	5,409	12,417	588	1,048,968	518,948
Sel'ct'd Risks, N. J.	46,042	13,523	2,790	330	......	......	......	......	......	......	236,285	63,076
So. Car., Columbia	486,982	158,449	265,802	374,921	40,575	10,689	1,290	269	—292	646	327,977	154,292
Southern Fire, N. C.	1,192,073	447,379	254,343	69,603	11,891	8,526	4,209	1,343	2,777	199	177,366	50,326
Surety Fire	......	......	......	......	......	......	......	......	......	......	256,221	121,216
Travelers	17,516,561	6,394,304	3,767,367	988,622	65,549	68,558	83,173	12,562	115,181	10,730	10,669,119	3,094,131
Twin City Fire....	472,858	168,200	95,922	30,031	7,590	4,406	......	......	1,271	21	216,736	71,861
Washington F. & M.	559,152	87,578	488,969	81,225	142	351	......	......	......	......	164,926	59,491
RECIPROCALS AND LLOYDS												
Fire Exchange, Cal.	1,043,371	173,383	309,047	44,478	8	......	......	......	......	......	......	......
Und'rwrit'rs Ex. Mo.	130,479	21,311	35,818	2,769	255	145	6,338	3,200	36	......	......	......
Ft. Worth Lloyds.	23,967	10,742	13,301	2,086	......	......	......	......	......	......	522,331	219,514

Hartford Office Expanded

American has opened a new and enlarged Hartford service office at 50 State street. Special Agent Harold E. Shipmaker continues to supervise, assisted by Special Agent Wayne W. Watson. Lamar E. Chamberlain has been named staff adjuster in charge of the newly established loss department. He is a lawyer with several years of claim investigation and staff adjusting. Prior to his army service. Then he was with Veterans Administration adjudicating death claims. He joined American in 1947 as a staff adjuster at Philadelphia, then at Camden.

Eilert Succeeds Heydon

Bert E. Eilert has been appointed manager of New Hampshire Fire's countrywide binding and service office. He succeeds the late Walter L. Heydon. He was with North British as an underwriter, then with Marsh & McLennan, and recently served as assistant manager of brokerage of the service department of American.

Opens Lansing Office

General of Seattle has opened a service office at Lansing in the Prudden building. George H. Leuenberger, who has been with General in Wisconsin, is state agent in charge. William F. Nelson is moving from the Wisconsin field to take charge of the claims department.

Henry Moser Suggests How to Keep FTC in Place

(CONTINUED FROM PAGE 1)

be about $800,000 and Illinois would be about $360,000.

He expressed the belief that the annual cost to the companies would decrease. Since the fund would be subrogated to the rights of the judgment creditor, financially irresponsible motorists would quickly learn that their driving registration privileges were in much greater jeopardy than presently. Then the percentage of insured motorists would substantially increase and the number of uncollectible judgments decrease.

Presiding at the meeting was Roy L. Davis of Assn. of Casualty & Surety Companies. Mr. Moser was introduced by A. V. Gruhn of American Mutual Alliance. One of the guests was James B. Donovan, general counsel, National Bureau of Casualty & Surety Underwriters, who had been in the city for the meeting of the governing council of insurance section of American Bar Assn. C. F. Laude, the new manager of Rain & Hail Insurance Bureau, was introduced by J. B. Cullison, Jr., his predecessor. Insurance Director Hershey and Chief Deputy Frank J. Bartsch were at the head table.

Cincinnati Cosmetics Plant Loss Put at $325,000

CINCINNATI—The grease-fed fire which destroyed an acid making building at the St. Bernard plant of Emery Industries caused an estimated $325,000 loss divided $175,000 fire loss and $150,000 use and occupancy. About 150 companies are on the risk, which has a total coverage of $8 million property damage and $5 million U. & O. through the T. E. Wood office. Because of the burning grease, a base in the manufacture of glycerine and cosmetics, more than a ton of foamite was used in combating the flames.

Bailey Dallas Manager of General Accident

Stewart Bailey has been appointed Dallas manager of General Accident. He has been in the insurance business 15 years and for the past 10 years has been located at Springfield, Mass., for General.

W. S. Shadrach, who has been the Dallas manager, and had been with General Accident since 1942, resigned to enter his own business.

New D. C. Insurance Unit

WASHINGTON — A subcommittee on insurance, banking and public utilities, of the Senate committee on District of Columbia, has been organized, with Senator Frear, Delaware, chairman.

Michigan Agents Get Well Rounded Fare

(CONTINUED FROM PAGE 1)

ities by its chairman, George W. Carter of Detroit.

The meeting opened Thursday morning with the interim report of President Leon J. McVoy, Grand Rapids, who recounted the success the association has achieved in public relations, legislation and education. Membership is increasing and is near the 800 mark. Finances are in good shape, and the association has attained a high standing with other public groups and with the state legislature.

Mr. McVoy warned that each member must work hard at the local and state level if such standing is to be maintained, however. The membership must take an active interest in politics. Mr. McVoy observed that there are only four insurance men in the Michigan legislature and guidance in insurance matters must therefore come from the agency ranks. While the association is not a political group, it must be realistic about conditions and possibilities.

Leading off the agency expense panel, Kenneth Ross pointed out that there is a need for a standard agency expense formula if there is to be any basis for comparison of agency progress. Many agencies have systems that are complicated and require so much detail that the agent cannot tell quickly how he stands. System can be carried to an impracticable extreme. "In my office I try not to keep a single record that doesn't make me money," he declared.

Reviews N.A.I.A. Survey

Reviewing the results of the recent National association survey of agency expenses, Mr. Ross remarked that it proved that any disturbance of the commission situation will have a marked effect on agents and their economic condition, but the survey did not show from what lines profit or loss comes. A new formula is needed to give a better and more thorough answer, and a new survey is being prepared. The N.A.I.A. agency management committee met last week in Chicago to iron out the final wrinkles in the new form, he said.

Mr. Ross reviewed the results of the New York department study of agency costs in the John C. Stott agency at Norwich, N. Y. This was given in last week's issue.

Mr. Ross noted that in the Stott agency 13.2% of the business was on fire and allied lines and this produced 12.6% of the commission total; 41.4% of the business was automobile, with 45.5% of the commissions coming from this source; 18.9% of the business was workmen's compensation with commissions of 13.5%; 14.9% was miscellaneous liability, with 17.3% commissions; 7.9% was on fidelity and surety producing 4.4% commission and 7.9% was miscellaneous producing 6.7% commissions. The average premium per policy was $33.32 on fidelity and surety; $313.18 on workmen's compensation, and commissions ran from $861 to $49.32 per policy, while the average cost per policy ran from $7.01 to $37.19.

Parcel Participants

Participating in the panel with Mr. Ross, who was substituting for Richard E. Farrer, resigned educational director of N.A.I.A., were Austin Jenson, Lansing; Larry Bell, St. Joseph; Philip J. Braun, Jr., Flint, and Kenneth J. Scott, Detroit.

Mr. Ross asked the panel what classes were most profitable to an agency and was told by Mr. Scott that automobile and long-haul trucking has produced the best results for him. Another panel member remarked that casualty lines are the most profitable, while the worst are fidelity and surety and miscellaneous bonds.

The most unprofitable business, it was brought out, comes from those policies producing minimum premiums. The average loss on fire policies in Mr. Stott's agency is $2.75, Mr. Ross remarked.

The panel suggested that to correct the situation some of the minimum premium business be written for a three-year term. This would include workmen's compensation, plate glass and small contents business on merchandise establishments. Another suggestion was that registered mail and bailee coverages which produce a $4 to $6 premium and call for monthly reports be changed so that the reports be given semi-annually or annually.

How about the $2,000 fire premium with a $500 commission? Is it justified The panel agreed that the service the agent gives is plenty justification for the commission.

Should the agent write small premium business? the panel was asked. This brought forth some variance of viewpoint. One of the members said that the agency should write small policies with the hope of developing and expanding that business, while another said that if there is no possibility of developing the line, the agent is fully justified in refusing to handle it. Another angle on the small policies is that if a man has enough money to warrant purchasing a $5 camera policy, there are good possibilities of running it into a personal property floater and obtaining the man's automobile, fire, and A. & H. business. Further, it was added, the agent has a duty to protect the small policyholder. Many of the minimum premium policies represent the total assets of the insured and there must be a market for that bus-

(CONTINUED ON NEXT PAGE)

iness.

The agent must not look at each piece of business he writes from a profit and loss standpoint, but as a part of his total agency operations.

However, in the case of a $15 policy which over a period of years the agent has been unable to increase, there is great justification in his advising the insured to give that business to the agent that has the rest of the line.

Austin Jenison brought out forcefully that today's conditions have increased agency expense in that there is a greater multiplicity of rates and requirements that keep the agent busy on detail. Mr. Jenison argued, the chore of putting pages in the various manuals can consume as much as one day a week. He drew forth a graded commission schedule published in 1902 and compared it with the 1950 scale. The 1902 form was brief, taking up no more than two inches on a narrow sheet of paper, while the 1950 commissions are covered in three pages in a complicated manner.

Mr. Jenison noted that in 1902, 25% was paid on six classes and there were three exceptions. The agent received 20% on three classes and there were no exceptions, and the 15% classification was covered with the statement, "All other classes not above enumerated."

Today's graded commissions are different. Twenty-five per cent is paid on 48 classes, but there are 34 exceptions. The agent gets 20% on three classes with no exceptions, as before, but on 15% while the statement is repeated: "All other classes not above enumerated," there are 66 exceptions to this and there are 16 exceptions to the 66 exceptions and two exceptions to the 16 exceptions to the 66 exceptions.

Service Charge Idea Vetoed

Mr. Ross asked what the panel thought of the service charge suggestion that has been advanced. A member of the audience said that this would be a drastic step. He compared it with a gas station charging 25 cents to a customer who drove in simply to get water.

Some of this discussion was carried on by George Carter in his report as chairman of the midwest conference committee. Mr. Carter, long a leading figure in Michigan and midwestern insurance, is a fixture on the Michigan program. His reports are eagerly anticipated, and he often takes the occasion to express in a forceful way his views on current subjects.

Mr. Carter argued strongly against the suggestion that had been discussed that agents be allowed to keep the commission on business that is canceled short rate. If the customer wants to cancel, he pointed out, it could well be the agent's fault, and if the agent wants to cancel the customer, he should be willing to make the sacrifice.

Value of $10 Policies

As to the small premium business, he asserted that the agent can't afford to overlook the public relations value of 100 satisfied small policyholders and the effect they have on their neighbors and friends. The man who expects to make money on every policy he writes has no place in the insurance business, Mr. Carter declared.

In reporting on the activities of the midwest conference committee, Mr. Carter disclosed that the conference intends to appoint a committee to screen criticisms of the Michigan Audit Bureau. Many such criticisms, he said, are of an inconsequentiay nature and cause unnecessary delay. The committee will handle these criticisms and take them to the department and work them out legally with new filings. Many of the delays will thus be wiped out.

The main part of Mr. Carter's report was devoted to a discussion of installment premium payment problems. He pointed out that over the years the term rule has brought forth the fiduciary capacity of the companies on reserves, and this has built the companies to the strong position they hold today. The only weakness in the term rule is that companies have failed to extend it to all fire business except the reporting forms, he maintained.

Violates Fundamental Traditions

The installment payment plan violates many of the fundamental traditions of the business. Mr. Carter pointed out that the all-industry rate bills contain nothing that allows the companies to charge other than a legal rate and there is nothing in them that permits a finance premium charge. Further, he argued, the installment plan distorts public thinking as regards an insurance policy.

He cited an example of a $400 permium on a five-year installment basis. The company charges $100 the first year and must put up $50 in reserves on this and then 90% of the $300 balance must be put into reserves. "How can you finance a business like that?" he asked. He questioned whether accounts receivable, especially on unguaranteed notes, can be used as guarantee of solvency. Are they admitted assets?

The banks are in the finance business and there are finance companies. Agents finance annual premiums through banks every day, and Mr. Carter questioned whether it is wise to change the financing arrangements simply because the business is written for three or five years.

Taking up trends and future possibilities of insurance, Mr. Carter predicted that the fire business will institute full automatic reinstatement before long without the unearned premium endorsement.

Replacement Farm Disagreement

The repair and replacement form in Michigan is due for a change, he said. There has been much confusion over this because the companies are not in agreement as to what constitutes coverage under the item, "replace with same materials." Apparently about half of the companies feel that it violates the contract and there is no liability if, for ex-

WANT ADS

IOWA STATE AGENT

Aggressive stock fire insurance company desires experienced field man acquainted with Iowa. Our employes know of this ad. Replies confidential. Address Y-91, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

FIELDMAN POSITION WANTED

University graduate, with twelve years experience in sizable fire and casualty agency, wants position as Field Man with company. Strong connections in North and South Carolina. Excellent references furnished. Write E. C. Bailey, Jr., No. 107 Davenport Ave., Greer, South Carolina.

A Hartford insurance company has excellent opportunity for experienced advertising man. Must have working knowledge direct mail, production, and copy. While one who is presently Advertising Manager is preferred, would consider Assistant Advertising Manager or key man in an agency. Address Y-90, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

AGENCY WANTED

Would like to purchase general insurance agency in Chicago or Cincinnati areas. Answers kept confidential. Address Y-83, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

ample, a brick and mortar structure is replaced by concrete.

He also said that a "floating rib" is coming in the new garage liability policy that will include coverage for cars owned by the dealer and put out on assignment.

Harold D. Moore Speaks

The afternoon session was opened with a sales presentation of the new garage liability policy by Harold D. Moore, vice-president of Wolverine. He illustrated his talk with the use of visual selling aids and after reviewing the new provisions, gave many pointers on how the agent can increase sales with the new policy.

Wind-up speaker of the first afternaon was Charles W. Tye, tax and legal counsel of Royal-Liverpool, who gave a detailed analysis of how local agents can benefit themselves under the income tax laws. Mr. Tye, in a thorough and careful way explained the situation from the viewpoint of the one-man agency to that of the large million dollar premium firm, and had advice for each as to how might be the best way to organize the firm and achieve the greatest savings.

Give Tax Hints

In determining how to operate an agency with the lowest tax cost, the agent is immediately faced with the question of whether it should be a sole proprietorship, partnership or corporate organization. Mr. Tye observed that the 1948 tax revision act, involving essentially the income-splitting provisions of husband and wife, has started the pendulum swinging back toward the

Casualty Insuror subscribers have received a very complete discussion of agency tax problems by Mr. Tye in the four last issues of 1949. Available to new subscribers of the Casualty Insuror is a complete reprint of the four articles dealing with general principles, the one man agency, partnerships and corporations. Subscription price to the Casualty Insuror is $2 a year. Subscription orders may be sent to the Casualty Insuror, 420 East Fourth Street, Cincinnati 2, Ohio. Please mention Tye tax articles.

partnership and individual proprietorship firms, especially where net income does not exceed $60,000. This feature of income-splitting means that the average or moderate income producing agency will do better tax-wise in an unincorporated form, where allowed under state law.

Noting the factors that enter into the modifications of this, he observed that it is not enough to compute mathematically the income level at which the individual or partner, or stockholder receives the same net return. While such trial tax estimates are the starting point, any such computation has little value in itself. The entire problem must be considered along with a number of personal and business factors. The future trend of tax legislation, such as the possible increase this year in corporate rates on income over $50,000 must also be anticipated and dealt with in the agent's planning.

Must Understand Advantages

The agent also must understand the advantages and disadvantages of the various organizational forms. For example, the "pay-as-you-go" system does not apply to corporations, and hence a corporation has the advantage of deferring tax payments to the year following income period. It is able to utilize these tax funds as additional capital for almost a year longer than the individual or partnership agency. A potential corporate disadvantage is that exempt items of income, such as life insurance, interest, etc., lose their identity as such when distributed to stockholders as dividends.

Dinner was served to 816 at the banquet that evening. Leon J. McVoy presided and the head-table group consisted of official representatives of nearly all the Michigan insurance organizations, as well as the program speakers, Commissioner Forbes, and eight members of the Michigan legislature. An entertaining address was given by Art Briese of Hot Springs, Ark.

The Friday session got under way with a breakfast conference on education at which the chairman was M. Robert Olp, Detroit. Participating in the discussion were Hampton H. Irwin, insurance professor at Wayne University; Everett Soop, director of the extension service of the University of Michigan; Carl L. Strong, insurance coordinator at Michigan State College; Robert Sommer, executive secretary of Standard Accident; H. Thompson Stock, Michigan association director of education, and Darlyle Watters, director of the agency licensing division of the Michigan department.

Television Antenna Coverage

The "agents only" session, always a headline feature of the Michigan meeting, was the first item on the Friday agenda. Principal discussion at the session revolved around the writing of television antennas, and the panel was asked whether any company would write them under an all-risk policy.

According to the experience the agents have had, it would appear that the companies have not adopted a definite policy of coverage. A house owner would have his antenna covered under the building fire and E. C., and lacking that apparently there is coverage under the contents if there is extended coverage. As to whether the renter's antenna would be paid for, there was a divergence of opinion. The question was asked whether this would be an improvement and betterment, and if so is it removable when the tenant leaves. If he has E. C. on contents, again there would be coverage.

The session was cut short in order that there might be ample time for the talk of Ellis H. Carson, president of National Surety. The company men were admitted to hear Mr. Carson's address on "Fire and Explosion Legal Liability for Property and Care and Custody of the Assured." It is reported elsewhere.

Department Is Understaffed

Greetings from the department were given by Commissioner Forbes at the concluding luncheon. The commissioner pointed out that his department has been singularly understaffed over the past year in that three members have suffered heart attacks and following the annual meeting of the Michigan association six months ago at Grand Rapids, six employes were injured in an automobile accident. Only one of them is now getting back on the job and another is still in the hospital. Mr. Forbes pointed out that he himself is called away much of the time because of his duties as president of National Assn. of Insurance Commissioners. High praise for the assistance afforded the department by Waldo Hildebrand, manager of the Michigan association, was given by Mr. Forbes, who said his job would have been much more difficult had not Mr. Hildebrand been on hand.

The meeting was concluded with the talk of Thomas Y. Beams, vice-president of Royal-Liverpool. He was introduced by David T. Marantette, Detroit, chairman of the association disability benefits committee.

Reviews Disability Laws

Mr. Beams, in his address on "Disability Benefit Laws," gave an up-to-date account of operations and practices under the disability benefit laws in California, New Jersey and New York, and called attention to the participation of the companies in these plans and the contribution they have made toward their success.

He stressed the accomplishments of insurance in prolonging life and improving health, calling attention to the efforts of the National Board and Assn. of Casualty & Surety Companies in their

(CONTINUED ON NEXT PAGE)

NORTHEASTERN INSURANCE COMPANY OF HARTFORD

Year Ending December 31, 1949

STATEMENT OF ASSETS AND LIABILITIES

ASSETS

Cash		$ 1,578,380.34
U. S. Government Bonds		6,888,856.80
Canadian Government Bonds		180,888.23
State and Municipal Bonds		337,532.22
Railroad Bonds		112,282.24
Public Utility Bonds		239,420.48
Industrial and Miscellaneous Bonds		26,717.20
Preferred Stocks:		
Public Utilities		21,200.00
Industrial and Miscellaneous		71,200.00
Common Stocks:		
Public Utilities		174,600.00
Banks		216,250.00
Insurance Companies		209,900.00
Reserve Funds held by Companies		39,979.52
Balances Due from Companies		649,299.05
Accrued Interest and Other Items		23,691.24
Total Assets		$10,770,197.32

LIABILITIES

Reserve for Unearned Premiums		$ 5,865,755.85
Reserve for Outstanding Losses		1,734,299.00
Reserve for Income Taxes and Other Taxes		120,300.00
Reinsurance Treaty Funds		319,765.10
Reserve for all other Liabilities		213,657.00
Capital Stock	$1,000,000.00	
Surplus	1,516,420.37	
Surplus as regards Treaty Companies		2,516,420.37
Total Liabilities		$10,770,197.32

Security valuations are on the basis as prescribed by the National Convention of Insurance Commissioners. On the basis of December 31st, 1949 actual market values, surplus would be increased by $34,915.33 to $1,551,335.70. Bonds deposited for purposes required by law are carried at $431,954.22.

FIGURES AS FILED WITH THE INSURANCE DEPARTMENT OF THE STATE OF CONNECTICUT

present program of hospital inspection, and to the work of the life companies in setting up a medical research foundation for the causes and treatment of heart disease.

Agents and brokers have had a big influence in the field of accident prevention, and much of the success attained through insurance has been due to their efforts. Agents are in the vanguard of those performing efficient service in many diversified fields of public welfare, Mr. Beams pointed out. Insurance has proved its ability to render service, in providing coverage under temporary disability benefits laws, and there is no real need for the government to enter the insurance field. In a state in which no fund is established, less desirable risks which might otherwise find it difficult to get coverage, may be properly cared for under assigned risk plans such as those in use for workmen's compensation and automobile liability coverages.

Although some companies operate in fewer states and some adopt very strict underwriting practices, it is evident that there are enough writers of disability benefits coverage among the life and casualty companies to meet all reasonable demands, he pointed out.

SIDELIGHTS

Company headquarters as usual were abundant at the Michigan gathering. On hand for **Aetna Casualty** were John Horton, Detroit manager; Charles Biagotti and James Reid of the underwriting department, and C. A. Heuer of the bond department.

George Pape, assistant western manager, and Earle Miller, Detroit manager, represented **Providence Washington.**

John H. Carton, president, headed the **Wolverine** contingent, which included Harold D. Moore, vice-president; H. Gordon Eason, vice-president; James Grant, Detroit manager, and Howard Linkfield, Don Sitch and E. A. McKeown, field representatives.

The **Standard Accident** group included C. L. Miller, Michigan manager; Frank W. Locy, assistant manager; Casey Kingman, Grand Rapids manager, and Fred Hart, A. D. Lewis and Robert Gott, field representatives.

Dignitaries on hand for **Royal-Liverpool** group were C. W. Tye and T. Y. Beams, vice-presidents; J. J. Cunningham, manager of the general cover department; C. R. Bock, regional manager, and F. E. Runey, assistant regional manager.

Harry King, Calumet, who has led the singing of America at the agents' meetings for many years, could not attend the Detroit convention, and President McVoy had to substitute.

Hartford Fire and **Hartford Accident** were well represented. Melvin M. Thweatt, Detroit manager, led the group which included J. W. Reitze, associate casualty manager at Chicago, and C. H. Phillips, assistant Chicago manager. Others on hand were James C. Stewart, assistant Detroit manager; James Burr, special representative for Hartford Accident, and Rollin Lange and John Hyde, special agents for Hartford Fire.

W. S. Ewald, resident manager, was in charge for American Automobile. The company group included J. J. Conway, assistant manager; D. H. Wilson, agency supervisor, and R. I. Larson, agency representative.

Arnold G. Barker, manager, and Fred A. Krussman and James N. Sharpe, state agents, were hosts for **North British.**

C. C. Iuppenlatz and M. J. Vaughan, state agents, represented **Crum & Forster.**

Chester C. Zook, assistant western manager, was on hand for **National Fire,** together with John Borg and Frank Greene, state agents.

Among those at the **Home** headquarters were Walter Seelinger, Robert H. Wood and Cam Wernet, special agents, Clarence Hubbard, state agent, and Gordon Ferguson, Detroit manager for Home Indemnity.

Frank J. Pocquette, western field manager, and Leo Miller, Michigan state agent, were on hand for **Meserole group.**

Representing **America Fore** were H. P. Winter, assistant secretary; H. E. Soward, assistant secretary; George Theurer, Michigan examiner, and the Michigan field force.

Air Discrimination Charges

NEW YORK — The joint legislative committee on insurance will take up charges of discrimination against insurers three weeks after the legislature adjourns, according to Sen. W. F. Condon, chairman. Democratic leaders had charged companies with discriminating against residents of Harlem and other sections of New York City on automobile, fire, life and other insurance.

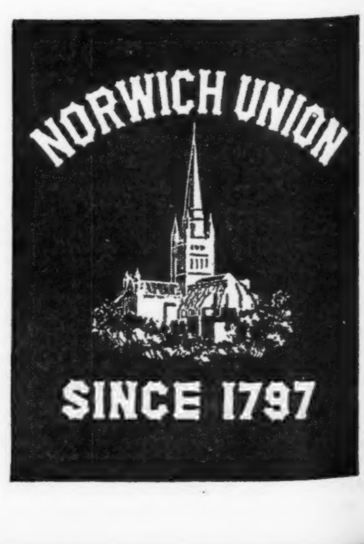
Gray Resigns from Millers National

Leslie C. Gray has resigned as chairman of Millers National and Illinois Fire. He has been chairman of the two companies for six years and on the boards for 15 years. He was president of Millers National for five years and of Illinois Fire for four years.

J. O. Giles, treasurer, has been elected to the boards and executive committees of both of the companies.

Talk Insurance to Dentists

Insurance men speakers at a one-day course in dental practice management at University of Minnesota were Lyle S. McKown, vice-president of Wirt Wilson & Co., local agents; Palmer Anderson, Minneapolis manager of Connecticut General Life, and Ray F. Archer, director of insurance and retirement at the university.



NEWS OF THE COMPANIES

Royal-Liverpool Has Big Underwriting Profit for 1949

Net premiums written by Royal-Liverpool were $160,777,625 during 1949, with an underwriting profit, before federal income taxes, of $15,391,200, after an increase of $7,699,449 in the unearned premium reserve.

Losses incurred were 41.38% of premiums, and loss edjustment expenses amounted to 5.48%. Taxes, other than federal income tax, accounted for 3.17%, and general expenses were 35.61%.

Fire and Marine Operations

		% of prem.
Net prems.	$90,541,646	
Losses inc.	35,105,083	38.77
Taxes	2,707,330	2.99
Adjustment exp.	2,776,480	3.07
General exp.	32,500,375	35.90
Trading gain	17,452,378	19.27
Unearned prem. inc.	4,443,353	4.90
Und. profit	13,009,025	14.37

Casualty Operations

		% of prem.
Net prems.	$70,235,979	
Losses inc.	31,420,514	44.74
Taxes	2,380,818	3.39
Adj. exp.	6,036,669	8.59
General exp.	24,759,707	35.25
Trading gain	5,638,271	8.03
Unearned prem. inc.	3,256,096	4.64
Und. profit	2,382,175	3.39

Splendid Year for Hanover

Net premium writings of Hanover Fire increased slightly in 1949, amounting to $20,660,327, compared with $20,475,039 in 1948, F. Elmer Sammons, president, reports.


F. E. Sammons

Underwriting experience continued favorable, the net gain amounting to 7.39% or $1,526,185. This compares with a net underwriting profit of 1.07% or $219,559 in 1948.

Losses incurred came to 40.19% or $8,452,349, while loss adjustment expenses incurred totaled $515,612 or 2.5% and general expenses amounted to $7,965,192 or 38.55%. A year earlier incurred losses amounted to $8,944,074 or 43.68%, loss adjustment expenses totaled $525,422 or 2.57% and general expenses incurred came to $7,760,012 or 37.9%. The trade profit increased to $2,989,738 from $2,572,559 in 1948.

Assets of Hanover are now $40,212,663 which is an increase of nearly $4 million; premium reserve is $17,677,109, capital is $4 million, voluntary reserve remains at $500,000 and net surplus is $8,237,090 as against $5,961,637.

Glens Falls Group Has Big Gains

The 1949 operating results for Glens Falls group show assets of $93,769,339; written premiums of $48,730,320, and a net income of $3,328,957 after taxes.

Substantial gains were made over the preceding year. Assets increased 13.3%; written premiums 11.1% and net income 43.4%. The 1949 earnings on capital stock of Glens Falls amounted to $5.12 per share.

Assets of Glens Falls were reported as $57,938,526; written premiums $26,324,870 and surplus to policyholders $22,679,101, gains of 11.7%, 10% and 15.2% respectively.

Glens Falls Indemnity ended the year with assets of $34,556,721; written premiums of $17,759,885 and surplus to policyholders of $9,116,452, gains over 1948 of 15.2%, 13.1% and 6.2%.

Commerce ended 1949 with assets of $11,506,838; written premiums of $4,645,565 and surplus to policyholders of $5,823,315. The gains over the preceding year were 13.7%, 10% and 16.5% respectively.

Directors have approved payment of the usual quarterly dividend of 40 cents on the capital stock of Glens Falls, payable on April 1 to stock of record March 15.

Pearl Group in High Gear

The annual statements of Pearl, Monarch and Eureka-Security for 1949 showed substantial betterment in all columns.

In assets, Pearl showed $16,853,869, an increase of $1,859,176, Monarch showed $4,341,635, up $462,304 and Eureka-Security $12,190,555, up $1,607,690.

In surplus to policyholders, Pearl's figures are $7,449,524, up $1,367,601. Monarch was $1,887,641, an increase of $285,785, and Eureka-Security $3,987,003, increase $893,291.

Premium reserve increased as follows, Pearl $522,126, Monarch $137,402 and Eureka-Security $503,812.

Premiums written by the group totalled $15,225,016, an increase of 10.7%. The ratio of losses incurred (including loss adjustment expenses) to premiums earned were: Pearl 42.87, Monarch 42.75, Eureka-Security 44.11.

The ratio of expenses incurred to premiums written were Pearl 47.45, Monarch 47.24, Eureka-Security 47.36, a reduction from last year's figures for Pearl of 1.96 points. Monarch 1.38 points and Eureka-Security 2.00 points.

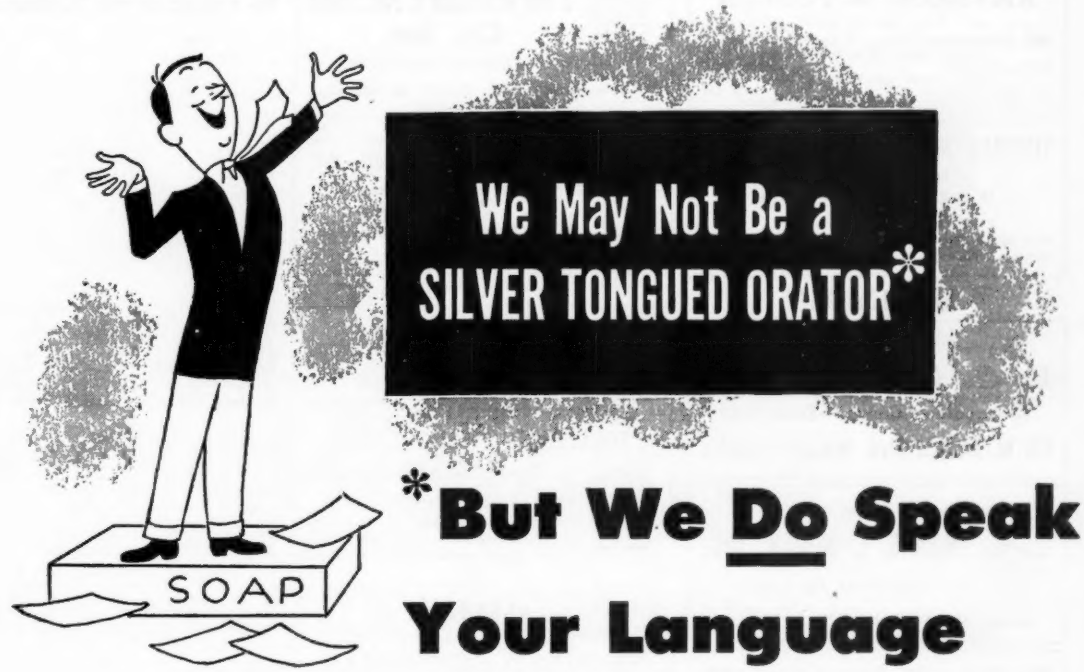
New Houston Insurer

Standard Fire & Casualty, the new company at Houston that is now licensed and operating, starts off with $200,000 capital and $200,000 net surplus. Main attention is given to automobile business but there will be some surety lines written. Most of the business will originate with Standard Insurance agency, representing Mossler Acceptance Co. which is behind the new insurance company. J. H. Wood, formerly attorney-in-fact of Standard Lloyds of Houston, president of Mossler Acceptance Co., is president of the new insurance company. Frank Gotch is vice-president; J. L. Claverie, secretary and Henry Bull, treasurer.

Report of Security Group Shows Good 1949 Results

Premium income of the companies of the Security of New Haven group in 1949 was $19,182,309. The slight decline from 1948 was due to the loss of approximately $1 million of premium income through cancellation or reduced participation in certain insurance pool commitments in the fire, marine and allied lines. All but a small amount of that income loss was made up by an increased production of agency business, which President Peter J. Berry considers a healthy exchange.

Premium income from fire, marine



and allied lines was $14,864,220. The casualty lines showed a small increase, bringing premium income to a new high of $4,318,089.

The ratio of losses and loss expense incurred to earned premium in the fire, marine, and allied lines was 43.8, compared with 50.23 the year before. Operating expense ratio to premiums written was 41.1 against 41.3.

Assets of Security reached a new high of $24,175,125. Policyholders surplus was $8,392,841. East & West Insurance has assets of $6,663,382, and Connecticut Indemnity $7,549,364.

House Trailer Insurer

Minnehoma Ins. Co. of Tulsa that was recently licensed in Oklahoma, it is reported, will provide coverage for Spartan Co. of Tulsa. This concern is in the house trailer manufacturing business. Eugene H. Gubser is president; Lyman S. Miller, secretary; M. W. Balfour and C. S. McCauley, vice-presidents.

Lucius S. Rowe, vice-president and general manager of Southern New England Telephone Co., has been elected a director of Security of New Haven.

Dubuque F. & M. has been admitted to membership in the Pacific Board. The company is represented in California by Ferris & Dunn, Los Angeles general agency.

Beneficial Fire & Casualty has been licensed in Washington.

Name of **Grand Rapids Merchants Mutual Fire** has been changed to Merchants Mutual. Walter DeHoog succeeds his father, John DeHoog, as president and also was chosen treasurer.

FIELD

Kansas Field Clubs Set May 16-18 for Annual Meet

Kansas field organizations have set May 16-18 for their annual joint meetings to be held at Wichita. Kansas Fire Underwriters and Bureau Field Club will meet the morning of the 16th. That afternoon Kansas Blue Goose will hold its annual golf tournament. The 17th Kansas public relations committee headed by N. K. Nelson, Great American, Topeka meets.

The annual splash of the Blue Goose also gets under way followed that evening by the annual banquet. Harold Holtz, M. L. G., Millers National, Topeka, will be in charge of arrangements along with Big Toad John L. Vorse, Royal-Liverpool, who is also president of Kansas Fire Prevention Assn. which holds its annual meeting the 18th. A guest speaker at the Fire Prevention Assn. meeting will be George Gow, newscaster with station KANS, Wichita.

D. B. Davidson Returns to Field; Joins National

Donald B. Davidson has been appointed state agent in Indiana for National Fire, succeeding R. H. Osborne, recently promoted to agency superintendent at Chicago.

Mr. Davidson is a graduate of Illinois Institute of Technology. He was with Kentucky Actuarial Bureau from 1927 until 1929 when he was employed by Indiana Inspection Bureau. From 1936 until 1942 he traveled in Indiana, Illinois and Michigan for various companies. After serving in the navy he started his own local agency at Petersburg, Ill., where he has remained until now.

Mich. Blue Goose Now Is Looking Ahead to 1955

At the Michigan Blue Goose meeting at Grand Rapids the other day, special interest was taken in the report of the committee that is working in the direction of bringing the grand nest meeting to Michigan in 1955. Michiganders are also seeking to bring about the election of Clarence Herrick as grand keeper at the French Lick meeting this year. If elected he would in the normal course ascend to the most loyal grand gander position in 1955. Mr. Herrick is presently deputy most loyal grand gander.

Anthracite Club Hears 3

Anthracite Field Club of Pennsylvania held its February meeting at Scranton. E. W. McLaughlin, special agent for the National Board, and A. J. Wilson deputy fire marshal, discussed recent arson investigations. G. D. Cassar, superintendent of Middle Department Rating Assn. at Pittston, outlined recent rule changes and progress of the application of the uniform rating schedule.

Schedule Kansas Inspections

Kansas Fire Prevention Assn. will inspect Augusta on March 8. A two-day "model inspection" is planned for April 5-6 at Pratt. Emmett Cox, Western Actuarial Bureau, Chicago, will assist. Secretary W. S. Gibbons, St. Paul, is in charge of arrangements.

Ohio Meetings at Cleveland

Ohio Fire Underwriters Assn. and Fire Prevention Assn. of Ohio will meet March 7 at Cleveland. The previous evening a stag party will be held by Ohio Blue Goose. A. J. Danziger is in charge of reservations.

Seattle Pond Initiates

Seventeen goslings were initiated into Seattle Blue Goose at its semi-annual meeting. Traffic Court Judge Roy DeGrief of Seattle was the principal speaker and Alvin C. Tregoning, M.L.G., presided.

Thompson Named in Texas Field by North British

North British has appointed Roger C. Thompson as state agent for northeast Texas, with headquarters at 1826 Irwin-Keasler building, Dallas.

Mr. Thompson started in insurance in a local agency in north Texas in 1933. He served in the army during the recent war and since then has been an adjuster and special agent.

Caledonian Promotes Farley

Matthew J. Farley, special agent for Caledonian in New Jersey, has been promoted to state agent.

Cunningham to Oregon Field

Harold D. Cunningham, who has been in the coast department of Great American, has been appointed special agent for Oregon. He will office at Portland.

Gordon Goodwin to N. Y. Field

H. Gordon Goodwin has been appointed special agent in eastern New York for Phoenix of Hartford. He served in the navy and since then has been undergoing training with Phoenix.

Tennessee Fire Prevention Assn. inspected Covington, with about 25 in attendance.

CHICAGO

MARINERS' GROUP ELECTS

Frank J. Shields of National Union was advanced to skipper of the Mariners, the Chicago organization of marine men, at the annual luncheon meeting Wednesday. He has just been promoted to marine manager of his company at the head office and hence it is expected that at the next meeting of the Mariners, William E. Cornwall of Boston will be advanced to the top position. Mr. Cornwall was elected first mate Wednesday. New purser is J. P. Murphy of Talbot-Bird & Co.; yeoman is Harold Bredberg, National Service & Appraisal, and jimmylegs is Andrew Degnan of Chubb & Son.

Roy Urbauer of Home is the outgoing skipper.

J. C. BROGAN ELEVATED

John C. Brogan, an account executive with Rollins, Burdick, Hunter Co., Chicago, has been promoted to assistant vice-president. He graduated at University of Illinois in 1936 and then saw service with Ocean Accident. He was with Zurich from 1938 until he entered army service in which he attained the rank of lieutenant colonel. After the war he went with Zurich in its New York underwriting department and then switched to R.B.H. about two years ago.

NEW YORK

NEW LONDON CHIEF

James Robertson has been appointed manager of the London branch of Caledonian to succeed W. G. Robertson, who was recently appointed deputy general manager.

NEW J. & W. BUILDING

Jones & Whitlock, inland marine managers for Globe & Rutgers, State of Pa. American Home Fire, Hanover, and Fulton has moved into its new office building at 169 William street, New York City. This building, providing 15,000 feet, all of which is occupied by Jones & Whitlock, is called the Siebold building after Christian A. Siebold, president of the organization.

The Siebold building is a very attractive remolding of an old sturcture which

stood on the corner of Beekman and William streets and is only two doors from the site where a new 21-story office building is expected to be completed by the end of the year. Another new building will likely go up within the next two years on the opposite side of the street.

Jones & Whitlock has offices in Chicago where Harry F. Legg, vice-president, is manager, in Louisville, Richard T. Fraiser, manager, Los Angeles, Leland C. Friel, manager. Mr. Legg was present at the formal opening of the new offices at New York. The Jones & Whitlock organization acts as surplus line brokers for Lloyds in addition to its other activities.

MOTOR

Air Issue of "Released Rates" for Motor Cargo

WASHINGTON — Interstate Commerce Commission Examiner Johnston held a hearing here in consolidated proceedings, including complaints of textile interests and others against motor carriers and an investigation and suspension case instituted by the commission, involving carriers' proposals to limit their liability on cargoes. There had been a hearing in these proceedings at New York last December.

Technically, so-called "released rates" were concerned. Motor carriers had special authority from ICC, officials said, to establish rates whereby they limit their liability, in event of loss. Carriers filed tariffs with ICC containing such proposals.

ICC received complaints from textile and other shippers against such limitation of motor carriers' liability on shipments between New England and Mid-Atlantic territories. Meanwhile, ICC based on protests received from shippers that the carriers should assume full responsibility, ordered suspension of the tariffs concerned.

Such suspension may run for seven months under the law. Meanwhile, the rates based on carriers' limited liability are not in effect.

The proposed liability limitation throws loss burdens on the shipper's insurer, rather than on the insurer of the trucking line.

The carriers had put in their evidence at the New York hearing. Shipping interests had their inning here at a 2-day hearing. They opposed the carriers' proposals because, it was testified, if shippers do not state a release value of 50 cents per pound, they have to pay higher transportation rates. No insurance interests participated.

Briefs from all parties may be filed with the ICC until approximately March 21. Thereafter, he will consider the entire record and write a "proposed" report, with recommendations to ICC, as to what it should do. That report will be submitted to the interested parties, who may approve, or disapprove it, with objections, exceptions and suggestions. Later on the report, together with these exceptions, etc., will go to members of the ICC for consideration and action.

To Include Liability

Automobile Underwriters Club of New York, which heretofore has concerned itself with physical damage coverages, has voted to embrace the field of automobile liability as well. The action was voted in order to conform with the trend toward multiple line underwriting.

The club was founded in 1924 and its membership has grown from 49 to 65.

Harold Hall, Independence, Kan., local agent, has become county treasurer there.

1949 RESULTS OF MUTUAL COMPANIES

	Adm. Assets $	Unearned Prems. $	Net Surplus $	Net Prems. $	Net Losses Paid $
Abington, Mass.	1,180,674	616,228	511,160	611,110	199,412
Addison Farmers	658,824	334,857	310,610	178,726	59,565
Atlantic, Ga.	3,174,668	1,472,629	1,555,627	1,514,433	355,129
Automobile, R. I.	6,184,844	628,746	5,156,380	1,230,580	189,305
Druggists, Algoma, Ia.	621,340	207,139	366,199	353,294	90,115
Farmer Bureau, Ohio	7,192,564	3,689,032	2,220,786	5,603,167	2,000,911
Farmers, Neb.	2,538,942	740,426	1,681,147	1,363,913	610,279
Federal, Mass.	1,972,873	1,047,511	500,000	1,017,152	235,130
Grain Dealers, Ind.	11,379,670	7,122,803	3,000,393	8,909,273	2,595,665
Hartford, Md.	4,294,505	2,560,646	1,325,884	2,885,524	884,439
Hartford County, Conn.	6,117,777	782,460	5,260,450	590,408	218,976
Hingham, Mass.	1,619,897	642,201	927,354	420,508	98,335
Home, N. Y.	1,295,468	536,878	625,686	507,939	215,442
Lumbermen's Mutual, O.	8,898,938	5,399,581	2,602,218	6,207,326	1,709,243
Middlesex, Conn.	4,175,775	1,049,461	3,067,985	867,520	233,991
Mutual, Auto, Pa.	2,590,281	1,074,548	1,256,660	1,991,824	621,424
Mutual Fire, Mo.	520,835	355,659	107,097	468,052	130,533
Mutual Service, Minn.	620,573	261,695	301,071	566,960	139,123
Norfolk & Dedham, Mass.	4,007,805	2,003,752	1,721,786	2,042,526	479,521
Northwestern, Wash.	26,469,051	15,921,726	8,203,802	15,285,246	4,411,827
Ohio Hardware	458,181	239,939	168,455	325,115	115,721
Pioneer Coop., N. Y.	1,387,739	567,047	768,112	600,335	276,886
Security, Minn.	340,055	115,124	203,535	233,324	66,470
Security, N. Y.	343,667	160,107	166,275	176,628	70,811

Marine Men Elect Mills

Walter S. Mills, inland marine manager for Hartford Fire at San Francisco, has been elected president of Inland Marine Insurance Club of the Pacific. John J. Slattery, Royal-Liverpool, is vice-president, and Roland Mueh, North British, secretary.

Atteberry to Gulf, Atlantic

Harold F. Sweeney, Indianapolis, vice-president and manager of Gulf and Atlantic for five middlewest states, has appointed C. L. Atteberry as inland marine underwriter in that territory. Mr. Atteberry has been representing Fireman's Fund in Indiana. He is a native of Kansas City and his first position was with Kansas City F. & M. In 1940-42 he was in the automobile and fire underwriting department of Hartford Fire at Chicago. Since his return from military service he has been with Fireman's Fund, first at Chicago and then in Indiana.

Cites Rosy Factors

Leveling volume, few catastrophes, interest and dividend earnings at a new peak, with a stock market at its top level for the year, combined to produce the best results Reinsurance Corp. of New York has ever experienced.

Robert G. Clarke, president, in his letter cautioned stockholders that the results for the past year were exceptional and that the company, because of its large catastrophe exposures, was subject to unusual year-to-year changes in fortune.

Assets are now $14,481,367, of which in excess of 50% was in cash, government and short-term securities. The policyholders' surplus was $7,938,841, an increase of almost $2 million.

Douglas J. Bennet, executive secretary to Governor Bowles, who is also president of Airkem, Inc., of New York, spoke at a dinner meeting of **Hartford Assn. of Insurance Women** on "New Methods of Reducing Smoke Odor Damage."

EDITORIAL COMMENT

Research: The Necessity for Getting Facts

The New York department's study of term discounts and its analysis of agency operation costs, raises the question of whether the department has not, at least in part, taken over the function of research in the fire and casualty business by default.

The present study and those leading to regulation 30, profit formula report, etc., make quite a record in this respect. Not all the studies drew universal applause from those in the business. They were not quite so detached, they made specific recommendations of substantial changes. They represented Mr. Dineen's and his associates' grasp of what modern state regulation imposes on the state and the business in way of revised concept and practice. They were in a sense briefs and called for action.

The present study does not recommend or conclude but it contains some new material and suggests the need of much further exploration of the subject before there can be an answer that is satisfactory and practical.

Who is going to make these additional studies? The department's research is only preliminary. More agency studies are needed and more data is needed on the company side. The implication is that the business itself must do it.

Is this the kind of research job the business can do for itself, though one that needs to be done? With few exceptions it has not been done in the past. This is perhaps natural. Here is a call for answers to a problem that affects the fire business over-all. The companies individually cannot be disinterested in exploring it. Only limitedly can associations or organizations in the business, governed by executives of individual companies, achieve the detachment that makes a research project of this caliber possible.

Individual insurers have experimented with methods and procedures in their own companies with valuable results. Association committees have done exceptionally good jobs on matters such as designing a fire policy face that is generally uniform and easy to complete. The National Board does a good job on fire prevention, the classification category, and in other areas.

Yet any subject that is controversial and that bears on the entire business probably has to be approached from the outside.

If the business agency, company and association, has its own special interest in matters of this kind, the New York department also does. Any study of that department tends to reflect the particular thinking of the then superintendent, whoever he may be. It would not be sound then to turn the job over to that department. Yet there are problems, like term discounts, that have to be investigated, where facts, not opinions no matter how experienced or well intentioned, must be had.

The suggestion has been made that the commissioners set up such an establishment. Louis H. Pink once said the commissioners might establish a central rating bureau. This could be the framework. The atmosphere today, with the federal government breathing down any handy neck it can find in the insurance business, is probably as conducive to establishment of such an organization as it ever will be.

Several rates are uniformly applicable nationwide, fidelity and surety and inland marine classes for example. It seems odd that in these times one state can accept a nationwide filing, one reject it, and another modify it. There are multi-state filings and hearings—one today in Wisconsin, another two days from now in Puerto Rico. The business generally thinks it would be beneficial to make these filings at one time along with explanation and any publicity. This would avoid bringing before the public at various times across the country rate modifications, form changes, and other insurance matters. This could be of real practical benefit to the business.

One problem would be financing. But a central rating bureau would have to be worth the money. It would have to be sold on the basis of service.

If there were a central rating bureau to which the companies would become subscribers, assessments could be loaded moderately for research commissioners and the business agreed was desirable. Even on lines not nationally rated, such as workmen's compensation, an organization of this kind might be helpful. There would be a matter of mechanics to work out.

Under such an establishment, the rating bureau still would make rates but the commissioners' bureau would approve them on an advisory basis. The industry could go there first. Individual states would take final action but they would have the facts, statistics, purposes, projected effects, etc., in hand from the central presentation.

The commissioners might establish general policy and then let the central agency composed of technicians work out details. The technicians and their organization would be stable, year in and year out, and be able to maintain a consistent policy.

It should be clearly kept in mind that those who operate the insurance business should have the authority to do so. The authority of companies and producers must always extend as far as their responsibilities. Insurance departments cannot run the business. None that we know pretends to.

What we are talking about here is the need of facts on issues of broad import to the business and the public, the kind of facts that individual companies cannot gather and that because of the divisions in the business association segments cannot successfully deliver. These facts will exert their own persuasion, they will have their own authority, they will guide commissioners, companies and producers to wise decisions and courses, if they can be come by.

Certainly the term discount and the installment payment problems form a good illustration of one problem getting ahead of another. Action of the business and commissioners on the installment issue would be a lot clearer if they knew what discounts on term purchases the business today justifies. Perhaps if they knew, there would be no installment issue.

If the business cannot provide itself with this kind of research, and opposes the idea of its being done by the commissioners—who are themselves looking for answers today, there are outside research organizations where the facts can be purchased. This might cost more and be less satisfactory than if the job were undertaken jointly by the commissioners and the business, both of whom have a big interest at stake.

A company president said last week that he foresaw a greater number of and more important changes occurring in the next five years in fire and casualty than have occurred so far since the S.E.U.A. case. It seems to be true that the answer to one question leads to another; one exploration leads to several. But it seems unlikely there will be a turning back to the practice of sitting on a problem until it ceases to be one. Big men are not afraid of facts nor of the changes they point to; this is a big business.

PERSONAL SIDE OF THE BUSINESS

Russell Matthias of the Chicago insurance law firm of Ekern, Meyers & Matthias is recuperating at home after three weeks in Passavant hospital with virus pneumonia.

President Truman joined in a tribute to **Erwin E. Shawde,** local agent at Easton, Pa., on his 100th birthday.

Leigh Warner, president of the Cimarron Ins. Co., Cimarron, Kan., who is Democratic state chairman, is establishing Democratic state headquarters at Wichita.

A. B. Jackson, president of St. Paul F. & M., is one of three candidates named to fill a regional trustee vacancy of Princeton University. He is an alumnus of Princeton.

L. P. McCord of Jacksonville and **Ernest F. Young** of Charlotte, N. C., had a chummy all-night tete-a-tete last Thursday enroute to Chicago by air for the N. A. I. A. executive committee and associated gatherings. Mr. Young boarded at Atlanta the plane on which Mr. McCord had embarked at Jax, and they set off non-stop for Chicago, scheduled to arrive there at 11:40 p.m., but the weather prevented coming down when they got to Chicago, so the plane went to Indianapolis to land. After a period of coffee drinking there, the plane took off for Chicago, but arriving there again was unable to put down, so back to Indianapolis. Finally on the third attempt the Chicago atmosphere was conquered and landing was made at 7 a. m. This was particularly trying for Mr. McCord, as he had to conduct an all-day meeting of the N.A.I.A. educational committee.

Ralph Tanger, head of the marine department of Security of New Haven, with the brand new title of assistant secretary, has started off on a four week trip through the Pacific Coast. He arrived at San Francisco this week, after making visits in his old haunts of Milwaukee and Chicago.

John I. Shearer of the Fred E. Shearer & Sons agency at Bay City, Mich., spent February vacationing in Florida.

Robert S. Perkins, local agent at Manchester, N. H. and prominent in N.A.I.A. affairs, is treasurer of a group organized to raise money to help pay the legal and other expenses of Dr. Herman N. Sander, who is on trial there for the alleged mercy killing of a patient suffering from cancer.

Merrill Rolfson, head of the Austin Insurance Agensy, Austin, Minn., has filed for reelection as mayor of his city.

Robert J. Lund, local agent at Thief River Falls, Minn., has been elected president of Minnesota Agricultural Society, which conducts the big Minnesota state fair.

E. A. Henne, vice-president and western manager of America Fore, who underwent a cataract operation, expects to leave the hospital at Chicago Friday or Saturday. Then he will be confined to his home for several weeks. After he is able to get about freely he plans to undergo an operation on the other eye almost immediately, so that altogether he will be away from the office a matter of three months or so.

Merle C. Rathburne, vice-president of First Trust Co. of Lincoln, Neb., on March 13 will be completing 50 years in the insurance business. For the past 10 years he has handled other duties for First Trust Co. besides carrying on

THE NATIONAL UNDERWRITER PUBLISHED EVERY THURSDAY

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO 4, ILL. Telephone WAbash 2-2704.

EDITORIAL DEPARTMENT: *Managing Editor:* Levering Cartwright, *News Editor:* F. A. Post. *Associate Editors:* R. B. Mitchell, J. C. O'Connor. *Assistant Editors:* Richard J. Thain, John C. Burridge.

OFFICERS: Howard J. Burridge, President. Louis H. Martin, Vice President and Secretary. John Z. Herschede, Treasurer. 420 E. Fourth St., Cincinnati 2, Ohio.

BRANCH OFFICES IN KEY CITIES

ATLANTA 3, GA.—432 Hurt Bldg. Tel. Walnut 9801. Ernest E. Hess, Southeastern Manager.

BOSTON 11, MASS.—210 Lincoln St. Tel. Liberty 2-1402. Wm. A. Scanlon, Vice-Pres.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. WAbash 2-2704. O. E. Schwartz, Chicago Mgr. A. J. Wheeler, Resident Mgr. R. J. O'Brien, Advertising Mgr. R. L. Rudd, Circulation Mgr.

CINCINNATI 2, OHIO—420 E. Fourth St. Tel. Parkway 2140. George C. Roeding, Associate Manager; George E. Wohlgemuth, News Editor; Arthur W. Riggs, Statistician.

DALLAS 1, TEXAS — 802 Wilson Bldg., Tel. Prospect 7-1127. Roy H. Lang, Southwestern Manager.

DES MOINES 12, IOWA—3333 Grand Ave., Tel. 7-4677. R. J. Chapman, Resident Manager.

DETROIT 26, MICH. — 532 Lafayette Bldg. Tel. Woodward 3-2826. A. J. Edwards, Resident Manager.

KANSAS CITY 6, MO.—605 Columbia Bank Bldg. Tel. Victor 9157. William J. Gessing, Resident Manager.

MINNEAPOLIS 2, MINN.—558 Northwestern Bank Bldg. Tel. Main 5417. R. W. Landstrom, Resident Manager.

NEW YORK 7, N. Y.—99 John St., Room 1103, Tel. Beekman 3-3958. **Editorial Dept.**—Eastern Editor: Kenneth O. Force; Assistant Editor: Donald J. Reap. **Business Dept.** — Ralph E. Richman, Vice-Pres.; J. T. Curtin, Resident Manager.

PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127. Tel. Pennypacker 5-3706. E. H. Fredrikson, Resident Manager.

PITTSBURGH 22, PA.—503 Columbia Bldg. Tel. COurt 2494. Jack Verde Stroup, Resident Manager.

SAN FRANCISCO 4, CAL.—507 Flatiron Bldg. Tel. EXbrook 2-3054. F. W. Bland, Pacific Coast Manager.

as manager of the insurance department. He started as a collector for Columbia Fire at Lincoln in 1900. Subsequently he was with Farmers & Merchants of Lincoln and Liverpool & London & Globe, rising to superintendent of agents. He operated as a general agent at Fremont, Neb., until 1922 when he went with First Trust Co. He is a former vice-president of Fire Underwriters Assn. of the Northwest and is a former president of Lincoln Kiwanis Club. E. J. Faulkner, his son-in-law, is president of the Woodmen Accident companies of Lincoln.

Edward W. Leeper of the engineering staff of Rollins Burdick Hunter Co., Chicago, is celebrating his golden wedding anniversary. At the annual meeting of the board he received a personal citation from all of the directors. He has just completed 37 years of service with R.B.H.

Howard C. Bates, chief underwriter of Kurt Hitke & Co., Chicago, has recovered from a heart attack and has visited his office on several occasions recently.

Freeman C. Read, Chicago manager of Royal Exchange and Car & General, Wednesday morning underwent an abdominal operation at St. Joseph's hospital, Chicago. This was on account of a condition that developed just a few days earlier.

DEATHS

WILLARD L. DUTTON, 69, in the insurance business since 1913, died at his home at Madison, Wis., after an illness of several months. He was auditor and assistant secretary of Great Northern Life until 1921, and then became auditor for the old Inter-State Exchange, Milwaukee auto insurer, later also serving as assistant secretary, office manager and treasurer. He was with the Wisconsin department as a liquidator of companies at Milwaukee and after 1936 at Madison. For the past few years he was with the Rural Mutual Casualty of Madison as accountant.

GUY C. COSWAY, who was Washington manager of Fidelity & Deposit, was drowned when his jeep apparently went out of control and crashed through the guard rail of a narrow bridge over the South River near Annapolis. He was returning from Annapolis to his home in Riva, Md., at the time.

Born and educated in England, Mr. Cosway came to this country in his early twenties. He joined F. & D. in 1929 in the Baltimore branch and later was transferred to San Francisco where he specialized in burglary lines. After several years he went to the home office as a special representative of the agency department. He was made an assistant manager of the department in 1936 and in 1944 was appointed associate manager at Philadelphia. He was named manager at Washington in 1947.

LESLIE S. WILSON, manager of the fidelity and public official bonding department of Maryland Casualty, died of a heart ailment. He had been with Maryland Casualty for more than 36 years, starting as a junior clerk. He was named manager in 1934. He was regarded as one of the best-informed bonding men in the country.

JOHN CAPPER, 72, chief clerk in the Kansas department, died. A cousin of Arthur Capper, former U. S. Senator, he had been with the department since 1944.

BERNARD R. MURSCH, 45, chief accountant for Hoosier Casualty, died at Indianapolis. He was with the company several years at South Bend before going to the home office five months ago.

JOSEPH T. DILHOFF, who has been head of the Joseph T. Dilhoff local agency at Cincinnati since 1905, died at Good Samaritan hospital there at the age of 76. For the past 35 years he had been president of Madison Road Savings & Loan Co. He was treasurer of Calvary Cemetery Assn. for many years, and for 30 years was treasurer of St. Francis de Sales Church. He was a past president of Cincinnati Fire Underwriters Assn. Joseph H. Dilhoff and Robert M. Dilhoff, his sons, are with the agency.

MARK V. CAMPBELL, western marine manager of Automobile, died at St. Joseph's hospital, Chicago, of a cerebral hemorrhage. He was stricken suddenly and had been in a coma for a week.

Mr. Campbell started with Automobile in 1919 in New York, and in the following year moved to Chicago to establish the western marine department. Before joining Automobile he had been with British & Foreign and prior to that had been with a New York brokerage firm. He was a director of the Mariners Club of Chicago.

Under Mr. Campbell's direction, the marine business of Automobile was developed into one of the largest operations of its kind in the west.

A son, James, is with Springfield F. & M. at Chicago.

ZOE Z. SAVORY, state agent in Minnesota for London & Lancashire, died of a heart attack Feb. 25 at his home in Minneapolis. Although he had suffered a previous attack three years ago, Mr. Savory had been able actively to continue his field work, and had been at the office the Thursday before his death when the temperature was 17 degrees below zero.

Mr. Savory started in the business in 1901 with the Berkey Co., local agency at Minneapolis, joining Minneapolis Underwriters Inspection Office in 1905. He went with General Inspection Co. in 1909, and three years later joined Royal Exchange as Minnesota state agent. He transferred to Fidelity-Phenix in Minnesota in 1914, and in 1917 went with the insurance department as rate supervisor. His career with London & Lancashire started in 1920.

Claude D. Casey, who was associated as state agent with Mr. Savory in Minnesota, will take over the entire state temporarily.

EUGENE FLOWERS, 80, former state fire marshal of Kentucky, died at Russellville, Ky.

HENRY S. SUTTER, 53, Freeport, L. I., president and chairman of W. J. Roberts, Inc., U. S. managers of Standard Marine, Union of Canton and marine managers of Orient, died at New York City. He entered the marine business in 1912 first in loss adjustment work and later as an underwriter. He was with Automobile and McGee & Co. prior to going with the Roberts firm 30 years ago. He was vice-president 1926-41 when he became president and chairman. He was a member of the American committee of Lloyds Register of Shipping and a director of New York Board, U. S. Salvage Assn., London & Lancashire Indemnity and Safeguard of New York.

JAMES N. CURLEY, president of the Curley Adjustment Bureau at Philadelphia and former president of National Assn. of Independent Insurance Adjusters, died last Friday morning in his cabin on the SS Bermuda as it reached New York harbor. Mr. and Mrs. Curley were returning from a Bermuda vacation. Mr. Curley had been in the insurance business 34 years.

SYDNEY E. HUTCHINSON, 83, senior partner in the insurance firm of Hutchinson, Rivinus & Co., died at Philadelphia. He had suffered a heart attack the previous day.

In 1888 Mr. Hutchinson organized the firm of Bilington, Hutchinson & Co. It was dissolved in 1912 and the present firm was formed at that time. He was a director of the Franklin Fourth Street National Bank, Baldwin Locomotive Works and Standard Steel Works. A graduate of the University of Pennsylvania, where he was a star athlete, Mr. Hutchinson maintained his interest in athletics at the university and was a member of the University council of athletics.

ROBERT HARDING, 68, of the Maverick, Harding & Co. agency, died at his home at San Antonio. He was a past president of San Antonio Insurance Exchange.

HENRY W. NELSON, 49, local agent at Livingston, Mont., was found shot to death in Mill Creek Canyon about 28 miles from Livingston, under circumstances indicating foul play.

WARREN P. BRUESHABER, 50, of Des Moines, special agent for Retail Lumbermen's Inter-Insurance Exchange, died of a heart attack.

JOHN H. FRENCHICK, 55, agent of Travelers at Sioux City, died there. He was stricken while riding to work on a bus.

GEORGE PICKELL, 47, secretary of the St. Joseph (Mich.) Chamber of Commerce for a number of years and a former Grand Rapids agent, died from heart disease.

THOMAS ROBERT FOSTER, father of Cyril F. Foster, assistant vice-president Millers National, Chicago, died Feb. 27 at the age of 74. He was London manager for a British steel company and his death was attributed to an accident four years ago in a blackout.

Ubiquitous "Short Con" Favors Chicago Again

The ubiquitous "short con" that has been preying on insurance folks across the country off and on for the past several years, appears now to be heading westward or southward. The National Underwriter last week told about his activities at Dayton, O., and at Philadelphia. Now Peter W. Freilich, Cook county manager of Corroon & Reynolds reports that he was visited by this man on Friday, Feb 17. He had a story that he was with the New York Edison Co., that before leaving New York he had visited some of his friends at Corroon & Reynolds and they told him to be sure and see Mr. Freilich on his way through Chicago.

Then the usual story developed that he was on a long motor tour, that his car had broken down and the expenses consumed all of his cash and that he needed money to get him to the next point which he mentioned to Mr. Freilich as being Dayton, O. slipping up at one point however, to mention Akron, instead. His stock answer to the suggestion that he produce a check and identification was that he only used checks printed with his own name and he didn't have a supply with him. He was a man of about 60 with gray hair and some dignity of appearance despite the fact that his teeth are bad and that he exudes an odor of stale tobacco smoke, and he has something of a scar on the tip of his nose.

INSURANCE COMPANIES

SAINT LOUIS

INSURANCE COMPANY

December 31, 1949

LIABILITIES

Reserve for Unearned Premiums		$17,995,697.11
Reserve for Losses and Loss Adjustment Expense		21,279,009.85
Reserve for Commissions		1,798,390.72
Reserve for Taxes		1,881,154.62
Reserve for Expenses and Other Liabilities		291,850.38
Total Liabilities, except Capital		$43,246,102.68
Capital Stock—Authorized, issued and outstanding 500,000 shares Common Stock, $4.00 par value	$ 2,000,000.00	
Surplus	18,924,377.69	
Surplus as regards Policyholders		20,924,377.69
Total Liabilities		$64,170,480.37

Securities carried at $2,223,830.58 in the above statement are deposited for purposes required by law and securities valued at $100,202.70 are on deposit with others.

AMERICAN AUTOMOBILE FIRE INSURANCE COMPANY

(Wholly owned by American Automobile Insurance Company)

Financial Statement, December 31, 1949

ASSETS

Cash in Banks and Offices		$ 1,267,902.40
U. S. Government Securities*		9,790,179.52
Canadian Government Securities*		210,647.33
Agents' Balances (less than 90 days old)		1,865,983.48
Accrued Interest and Miscellaneous Assets		46,347.79
Total Admitted Assets		$13,181,060.52

LIABILITIES

Reserve for Unearned Premiums		$ 6,985,320.72
Reserve for Losses and Loss Adjustment Expenses		812,338.15
Reserve for Taxes		855,898.60
Reserve for Policyholders' Dividends Declared		None
Reserve for Expenses and Other Liabilities		540,317.07
Total Liabilities, except Capital		$ 9,193,874.54
Capital Stock—Authorized, issued and outstanding 3,000 shares Common Stock, $200 par value	$ 600,000.00	
Surplus	3,387,185.98	
Surplus as regards Policyholders		3,987,185.98
Total		$13,181,060.52

*The amortized values used in this statement are on the basis prescribed by the National Association of Insurance Commissioners. If bonds were valued at December 31, 1949 market quotations, the assets would be $13,319,240.13 and policyholders' surplus $4,125,365.59.

Securities carried at $567,597.88 in the above statement are deposited for purposes required by law.

Carson Analyzes Problems of Fire Legal Liability

DETROIT—The address of Ellis H. Carson, president of National Surety, before the midyear meeting of Michigan Assn. of Insurance Agents here last week drew a capacity throng to hear a thorough and analytic discussion of problems confronted by the fire and casualty companies in offering fire and explosion legal liability under public liability forms or for property in the care, custody and control of the insured.

Ellis H. Carson

Mr. Carson's talk is one of the first comprehensive statements on this widely discussed subject by a prominent company executive.

Agents have been having a difficult time in getting the companies to make a commitment on property in care, custody and control. The casualty underwriter sent the agent to the fire companies and vice versa. However, Mr. Carson pointed out that under multiple line underwriting powers, that excuse no longer holds water. Nevertheless, he declared, the casualty department of a multiple line company cannot always be expected to write what the fire department will not write.

Takes Up Care, Custody, Control

Mr. Carson maintained that the care, custody and control liability feature is a proper field for the fire companies rather than casualty. From the casualty company standpoint, coverage on property in the care, custody or control of the insured is largely an encroachment on other forms of insurance if included under a public liability policy. It is an invasion of the property insurance field of fire and extended coverage, water damage, inland marine.

Many times when requests for coverage in the care, custody or control of the insured are submitted to casualty underwriters, a useful and helpful first approach is to see if and to what extent the insurance can be obtained under some form or forms of property damage insurance.

In this respect considerations of insurable interest may apply. With respect to goods as distinct from real property, it seems to be generally recognized that there is an insurable interest in the property of others when it is held by carriers, warehousemen, factors, hirers, persons entrusted with goods for repair or processing, and pledges. As to property generally, Mr. Carson noted that according to legal definition, any person has an insurable interest who derives a pecuniary benefit from the existence of the property, or would suffer loss from its destruction, and this whether he has or has not any title in or lien upon or possession of the property itself.

Insurable Interest Through Contract

Insurable interest also extends to those whose responsibility for the safekeeping of property rests upon contract. It is through this contractual liability and only through it that insurers have insurable interest which enables them lawfully to effect reinsurance.

Requests for deletion of the care, custody or control exclusion frequently arise because some contractual obligation is drawn with the object of making one party the insurer of the property of the other. Clearly, where this situation has been created, direct insurance rather than third party or contingent coverage is the proper method for taking care of the imposed liability.

It is submitted that with property in the care, custody or control, whether on a straight legal liability basis, or even more so when there is assumed liability in addition, the governing factor in arriving at a proper premium is the rate or rates which would be applied under the relevant fire tariffs. Not until these are known can the casualty underwriter go to work, and he could not arrive at the proper fire rates until he had information concerning protective features, i.e., sprinklers, etc., occupancy, and the extent of insurance to value. Another feature of great importance is the fixing of a premium for total loss insurance and then to relate this to the limits of liability to be applicable under the public liability coverage.

Reinsurance Problems

After all these matters are determined between the insured and the company, the company has the matter of reinsurance to consider. Ordinary excess of loss reinsurance is not suited to this type of risk except incidentally to other third party insurances and in comparatively small top limits.

Another feature to be borne in mind is that the coverage is largely related to subrogation and more particularly to subrogation between insurance companies. To an extent it results in duplication, at least as respects premiums. Insofar as the industry is concerned, it means taking in additional premiums from the public without providing any overall additional coverage, and for the purpose of taking money out of one pocket of the industry trousers and to put it into another. Such "swapping of dollars" is avoided if in the case of concurrent insurable interests the several parties concerned can be named as joint insured. The responsibility for payment of premium can be agreed upon between themselves as a matter of accounting or agreement.

Insofar as leased property is concerned, it may be said that while rental space continues to be short and demands for it are high and money is plentiful, possibly owners can ignore the additional charge which would be involved to tenants in securing this additional type of third party insurance. More stringent times might change the picture, and possibly might find owners advertising space to rent "without recourse" as a means of sales appeal to prospective occupants.

Subrogation Waivers

In some parts of the country property owners are already finding it necessary to include release of liability clauses in tenancy agreements for competitive reasons. This is leading to an increasing number of requests for the attachment of subrogation waiver clauses to fire policies. Companies generally are prepared to issue such waiver clauses without additional premium. These relate to the release of subrogation rights against third parties where this is effected by an agreement prior to a loss.

Most specially drawn policy forms have a waiver of subrogation clause included in them. In addition, in several rating territories such a clause has for some while been made a part of the printed forms.

A strong argument in favor of recognizing waiver of subrogation without charge is based upon the premise that fire rates are derived from loss experience which includes fires which are due

(CONTINUED ON PAGE 32)

Begin to Move on TDB in N. Y.

Department Approves Two Basic Forms; Another O.K. Required

NEW YORK — The insurance department has released two basic forms for minimum statutory benefits under the non-occupational compensation disability law and a rider to enable writing of benefits greater than those required by statute. These were released this week, and carriers may now at least proceed with getting their forms okayed by the insurance department — the regular procedure of filing two copies with the department at Albany.

However, the forms must also be submitted to the chairman of the workmen's compensation board, Miss Mary Donlon, and this procedure is to be sent out to insurers by her department.

The insurance department requirement is that insurer's identifying form number be on the policies, riders, endorsements and applications, and these must include the letters "DBL." Forms must be accompanied by rates, rules and classifications of risks and commission schedules.

Supporting, Other Data

Supporting data must accompany these filings "to the extent available," but in any event they must be (1) a statement of the statistical base of assumptions used in arriving at rates, (2) estimate by an actuary of incurred loss ratio as a percentage of earned premiums including assessments for disabled unemployed, (3) and an estimate of the ratio of incurred administration and operating expenses as a percentage of earned premiums separated as between first year and renewal.

The two forms, which are not mandatory but, to preserve flexibility, are to be used as working guides by companies in preparing policies, consist of advisory form A, to meet minimum requirements, following the style of liability and workmen's compensation policies, and advisory form B, which follows the policy style used by group accident and health companies.

Insurers writing workmen's compensation have sought a rider or endorsement which could be used with the w.c. policy; other carriers have asked for riders which can be used on A. & H. contracts. These riders are being considered but are not to be released now.

The type forms approved resulted from months of deliberation and conference of the all-industry forms committee, composed of representatives of Assn. of Casualty & Surety Cos., Mutual Insurance Statistical Assn., State Insurance Fund, Bureau of Accident & Health Underwriters, Health & Accident Underwriters Conference, American Life Convention, Life Insurance Assn. of America, New York State Assn. of Accident & Health Underwriters, and New York state agents and brokers, the insurance department and the chairman of the workmen's compensation board.

What Form A Provides

Form A provides benefits precisely those required under section 204 of the law and subject to all of its limitations and restrictions.

To the extent that the law establishes the procedures to be followed in filing and establishing claims, making benefit payments, prosecuting contested cases, etc., reliance is had on the law and no attempt is made to write all of these provisions into the policy. Certain provisions are required by the statute to

(CONTINUED ON PAGE 32)

Hearing Held on Problem of Bonding U. S. Employes

Surety Companies Offer Program—Several Measures Under Consideration

By H. C. HALLAM

WASHINGTON—Three Senators, half a dozen or more government officials, and representatives of Assn. of Casualty & Surety Companies and Surety Assn. of America appeared in agreement that something should be done about the system of surety bonding of government officers and employes. However, they were not in agreement as to what should be done, at a hearing last Friday before the Senate expenditures investigating subcommittee headed by Hoey of North Carolina.

The Senators wanted legislation, each preferring his own particular bill, but expressing willingness to have it modified to meet the committee's views. Government people's ideas also varied from setting up a general bonding fund in the Treasury for all government personnel required to be bonded, to government payment of premiums on bonds for such personnel.

The House expenditures committee scheduled hearing for March 2 on the four bills on surety bonding of government personnel. Surety interests' representatives were scheduled to explain the program recommended in the recent report of their committee, witnesses being: J. C. Smith, secretary Travelers Indemnity; William H. Bennem, vice-president American Surety; M. M. Franklin, actuary, and Martin W. Lewis, general manager Surety Assn. of America.

The ideas of the two insurance groups were set forth in elaborate reports. Believing that private insurance can continue satisfactorily to serve government and its personnel with bond coverage, the company people submitted a new program and rating plans under which the number of bonds required would be greatly reduced, costs cut, red tape eliminated, and the present system generally improved.

Howard M. Starling, Washington representative of A.C.S.C., made a brief statement at the close of the hearing, in which he offered full cooperation.

No Date for Further Hearing

Hoey announced ample time and opportunity will be afforded anybody who may wish to be heard or present information, but no date was set for a further meeting.

The bills subject of the hearing were: S.193, by Downey, California, to provide for government payment of premiums on bonds required of its officials or employes; S.1692, by Holland, Florida, to provide for issuance by the U. S. of bonds covering its personnel without charge to them; S.1997, by McCarran, Nevada, to provide for bonding of federal officials and employes through a fidelity trust fund administered by a federal board; S.2515, by Johnston, South Carolina, to provide a fidelity trust fund in the Post Office Department.

Technically, the Johnston bill was not before the expenditures committee, hav-

(CONTINUED ON PAGE 34)

Ohio Bank Loss $102,000

Cashier of Institution at Jackson Confesses an Embezzlement Campaign of 27 Years

By ROBERT F. STEINKE

Most of the estimated $102,000 fidelity loss of First National Bank of Jackson, O., appears to fall on Ohio Casualty. Damon Grow, the cashier, is said to have admitted taking that amount during 27 of his 30 years with the bank.

Frederick E. Jones, president of Buckeye Union Casualty, is a director and principal stockholder of this bank and currently Buckeye Union has in force a $120,000 bankers blanket bond form No. 24 placed through the Hollis Parry local agency of Jackson. This contract in April of 1949 replaced Ohio Casualty's form No. 24 which at the time of its cancellation provided $80,000 cover. The discovery period of the Ohio Casualty bond had not expired at the time of the discovery of the loss. Ohio Casualty had been writing the insurance for this bank since 1937 and during the intervening years, the types of coverage were changed and the amount of the most recent contract had been increased to $80,000 prior to its termination. Ohio Casualty had a net retention of 25%.

Early Cover Very Small

Prior to the time that Ohio Casualty had the line, it is said that as recently as the early 1930's, only $5,000 individual coverage was carried on the president and $5,000 on the cashier.

Usually superseded suretyship riders are attached to replacing bonds to pick up undiscovered losses under the prior bonds when their discovery period, usually one year, elapses. Thus continuity of cover is provided. Today even broader pick-up provisions are embodied in current forms, having what surety men call retroactive extension features.

Ohio Casualty will bear the brunt of the insured loss. Since it had been piling up for 27 years, the sureties will require an allocation of the loss to specific periods in order to determine what coverage and how much applies to those periods. Had the Ohio Casualty discovery period elapsed, Buckeye would have picked up their liability.

First National Bank had a capital and surplus of $322,000 and deposits of $4,800,000.

The loss was uncovered when a bank examiner arrived and Grow, suspecting his shortage had been discovered, telephoned C. F. Bruny, president of the bank and made a confession. The irony of it was, however, that the shortage had not been discovered.

Last summer the bank set up an entirely new bookkeeping and accounting system but during the change-over none of the discrepancies were detected. Grow was supposed to have confined his activities to individual accounts. He pleaded guilty to a charge that on July 29, 1949 he posted an entry for $51,813 in the control ledger when actually there was no deposit for that amount.

Grow was quite a civic leader in his town of 7,000. He was a member of the school board, hospital commission, active in various clubs and lodges.

Auto Owners New Home Office Building Started

LANSING, MICH. — General contract for construction of the new home office building for Auto-Owners was awarded to Christman Co. of Lansing. Footings and foundations have been

completed under separate contract. The building proper is to be completed about next Jan. 1. It will contain 92,000 feet of space, with a full basement and 3½ floors above ground. The exterior will be of Bedford limestone. The new building will bring under one roof some 265 home office employes now housed in five different locations. The company also owns its own Detroit building.

Big Contracts on Coast

United Concrete Pipe Corp., Los Angeles, was low bidder for the pipe line distribution system, Kern-Friant canal, Central Valley Project, at $1,573,000. Maryland Casualty is on the bid bond.

Guy F. Atkinson Co., Los Angeles, at $2,340,000, was low bidder for the San Diego river and Mission Bay improvement floodway at San Diego. Fidelity & Deposit is on the bid bond.

Morrison Knudson Co., Los Angeles and San Francisco, has been awarded the contract for the Broadway tunnel and approaches at San Francisco at $5,243,535. Fidelity & Deposit will execute the payment and performance bonds.

TRAVELERS FILLS 3 POSTS

New Chiefs at Pittsburgh, Buffalo and Worcester

Three casualty managerial appointments are announced by Travelers.

Wallace A. Ockerbloom, who has been manager at Worcester, has been appointed at Buffalo, succeeding Stanley J. Whiteman whose appointment to San Francisco was announced recently.

Mr. Ockerbloom has been succeeded at Worcester by Clifford O. Griffith, who has been assistant manager at Newark.

Allen B. Derickson, who has been assistant manager at Philadelphia, has been appointed at Pittsburgh to succeed George H. Cosby, Jr., who transferred to the home office as an assistant superintendent of agencies.

Mr. Ockerbloom joined Travelers in the claim department in 1922 at Springfield. He became a field assistant at Worcester in 1925 and was appointed assistant manager there in 1928. The next year he became manager at Portland, Me. He returned to Worcester as manager in 1930.

Mr. Griffith went with Travelers in 1922 as a claim investigator. In 1929 he was appointed a field assistant at Worcester and served in a similar capacity at Buffalo and Newark. He was appointed assistant manager at Newark in 1941.

Mr. Derickson has been with Travelers since 1927, starting as a head counterman at Philadelphia. He became a field assistant there in 1939 and was appointed assistant manager a year later. He entered military service in 1941 and returned to Philadelphia as assistant manager in 1946.

Say Bonding Fund Has Profit

BISMARCK, N. D.—Although practically giving its service away, the North Dakota state bonding department claims it is making money. In the past two years the department has written bonds for state, county and municipal officials which called for fees totaling $176,000 but all but $292 of this was waived. The law provides the bonding premiums may be waived as long as there is more than $1 million in the fund. The department now carries bonds in the amount of $33,470,000 with assets in the fund at the end of the year of $1,424,863.

Revise Old, Issue New, Import Bond

NEW YORK—The federal bureau of customs' new type of bond on import transactions and new bonding procedure are expected to accelerate considerably clearance of imported merchandise through customs. The forms will be ready in about 60 days for both the new superseding import bond and the revised consumption entry bond. Surety Assn. of America companies and others write the business, which runs to about $500,000 in premiums a year and which constitute one of the largest numerical classifications in the federal field.

Under present procedure, the broker handling imports of merchandise files a consumption entry bond with customs. This guarantees payment of additional duties that may be assessed against the merchandise. Up to a few years ago it was thought that after the broker filed his bond and the consignee signed a declaration of ownership the liability for additional duties was then on the owner. But the decision in U. S. vs. Daniel F. Young held the broker liable.

Present Procedure

Import practice is to pay the value of the goods plus the duty. At this point the customs appraiser may decide that the value of the merchandise warrants additional duties, and he will retain part of the shipment, possibly all of it, until the additional duties are paid. A second appraiser, and possibly a third and fourth may then enter the picture and disagree with the first appraiser. Under present practice there is a continuous billing to the broker for these additional duties. The result is to hold up parts of all of shipments for a considerable length of time, sometimes years.

Under the new procedure there will be no billing for interim duties. The consumption bond has been amended to specifically obligate the surety for the additional duties.

New Bond for Owner

As an additional step, a new bond has been devised which the broker may get the owner to sign, and it also contains specific obligation for payment of additional duties. If the second bond is negotiated, the broker would be released of liability. The second bond is intended to pick up the liability on the broker.

One practice which will now disappear is the furnishing of a withheld appraisement bond. Presently, if appraisal is withheld, because of disagreement over duty, this second bond is executed to secure release of the shipment. There will now of course be no demand for these bonds.

The new procedure had the strong backing of the Commerce & Industry Assn. of New York, which is interested in facilitating the release of merchandise from customs into channels of trade.

Dwight Smith of the Smith-Stone-Snyder agency, Wichita, former president of both Wichita and Kansas Assns. of Insurance Agents, and Mrs. Smith are on a vacation trip to Honolulu. They will make the return trip by air.

Frank M. Beckham, formerly of Columbia, S. C., has become associatoed with Dewey H. Bell in the local agency business at Myrtle Beach, S. C.

Markel Eyes Problem of Limits, Losses

From I. S. Markel, vice-president of Markel Service of Richmond.

I notice with interest the article in your Feb. 16 issue with respect to the higher I.C.C. limits, particularly the opening statement declaring that "insurance observers" believe the proposed change should cause scarcely a ripple in the trade.

I don't know about which insurance observers you are talking but obviously, they are not handling much long haul truck business as several of the statements made in your article were definitely wrong.

In the first place, you state practically all of the states have limits higher than 5/10 and this is an erroneous statement in that the minority of states have limits in excess of 5/10 on trucks and the big bulk require only 5/10.

Effect on Losses

Certainly, it is common knowledge that when it is public knowledge that truck lines or any assured have higher limits that the average cost of settlements in the territories that require the higher limits are increased and this, of course, results in higher loss ratios and a resulting higher premium to the truck operators.

I attended the meeting in Washington to which you referred and the representatives of the insurance agents association as well as myself and several others were definitely in agreement that to increase the required limits of the I.C.C. on long haul trucks would have the effect of increasing the average claims cost, thereby resulting in higher premiums to the operators notwithstanding the acknowledged fact that the bulk of the operators now carry limits greater than 5/10/5.

Notes the Exceptions

You can confirm my statements with respect to the number of state requiring limits greater than 5/10 by contacting the American Trucking Association or the I.C.C. insurance division. I believe that the only states that require limits in excess of 5/10 on general commodity haulers are Connecticut, Illinois, and Missouri. Michigan, on some classes of commodities requires excess limits.

I can't think of a single other state offhand that requires limits in excess of 5/10 on truck operators required to file in those states so that you can see your statement was in error.

In addition to the foregoing, if you will check, you will find that there is not a single state with financial responsibility laws, which I understand number about 30 today, which requires financial responsibility limits greater than 5/10 and these are the known bad drivers with bad records so that the states have gone on record as saying that 5/10 is all that should be required to protect the citizens of those states. Would you say that a man injured or killed by a truck is entitled to more than if he sustained the same injuries or was killed by a private car?

Review Federal Plan

NEW YORK — The new plan for bonding federal officials and employes, developed by the surety industry and now under consideration by the public accounts subcommittee of the House committee on expenditures in the executive departments, was discussed at length at the monthly meeting of Surety Managers Assn. of New York. An analysis of the plan and the sequence of events leading to its submission to the committee were outlined.

Insurance Women of Milwaukee at a meeting March 6, will elect new officers. James Brown, W. Morton Brown Millinery Co., will speak.

AGENTS AND BROKERS PRAISE AGGRESSIVE ACTION

by American Automobile

Producers See Opportunity to Increase Their Auto Business

Progressive management keeps the insurance business healthy by leading the way to better protection at lower cost. That's why Agents and Brokers are enthusiastic about our *latest* move to help them build customer confidence.

Now *American Automobile* Producers can offer their clients a broader automobile policy with 11 important advantages not found in ordinary policies . . . *at no extra cost!*

If you want to learn more about this unusual Comprehensive Automobile Policy get in touch with your nearest American Automobile office.

AMERICAN AUTOMOBILE INSURANCE COMPANY
SAINT LOUIS

AMERICAN ASSOCIATED
INSURANCE COMPANIES

ASSOCIATED INDEMNITY CORPORATION
SAN FRANCISCO

Atlanta • Baltimore • Boston • Buffalo • Chicago • Cincinnati • Cleveland • Dallas • Des Moines • Detroit
Hartford • Houston • Indianapolis • Kansas City • Los Angeles • Milwaukee • Minneapolis • Newark • New Orleans
New York • Philadelphia • Pittsburgh • Portland • Providence • Saint Louis • San Francisco • Seattle

N. Y. Multiple Location Views Given

(CONTINUED FROM PAGE 4)

generally, so that the procedure with the figures has favored the smaller buyer. It is argued that multiple location business cuts across 70 or 80 National Board classifications and hence it should not be segregated. He does not agree with this. Take fire resistive, for example, that cuts across many N.B. classes. Or take the special occupancy code for sprinkler risk in the N.B. classes. Or not do the same with multiple location risks?

The discount-surcharge plan approved by the department is discriminatory, he said. That is its purpose. Discrimination is the purpose of all insurance rate-making. Otherwise all risks would pay the same rate. The rating law requires such discrimination. What is forbidden is unfair discrimination, differences for which there are no reasonable bases.

Justification of discrimination can be by statistics. Yet there is no statistical justification for a five cent fire rate charge for five gallons of gasoline on the premises and nothing for one gallon of gasoline, none for area charges, floor opening charges, or for fire alarm credits.

The New York plan produces a rate that reflects three factors: The average of specific rates, the class loss ratio, and the individual risk loss ratio. Forty-five per cent of the rate comes from No. 1, the rest from No. 2 or No. 3, or both, according to the number of locations.

The plan differs from general insurance rating plans in that it is completely mechanical; nothing is left to judgment, which is not true of general or schedule rating. Consequently the possibilties in this plan for unfair competition are less than between two specifically rated risks.

It is said the paln is dangerous in that it gives individual experience credits.

The appellants in the case urge that the plan should not apply to them, and in addition urge that other companies not be permitted to use it. He wondered what about the anti-trust laws in this connection—these companies want to force uniformity on all competitors.

He pointed out that there are ways the business can be rated other than under the plan approved. The appellants can withdraw from the New York Fire Insurance Rating Organization and file their own plan. The companies admit that this is true, but that it is impractical to do so. Yet, Mr. McCullough said, some companies have done it—Pearl, North America, Fireman's Fund and Liberty Mutual. Or, the companies can file a deviation from rule 85 of N.Y.F.I.R.O. and make their own plans. If they don't want to do this, they don't have to use the plan. If they don't want the business at the rates and the plan promulgated, they don't have to take it. They can write it on an average rate or on form A.

He charged that the companies don't want competition, they want a rigid price structure, which failed on this business in the 1920s; and that they fear to let their competitors introduce an innovation in the fire business, indivdual experience rating.

Yet individual experience rating is working in workmen's compensation and in other insurances.

The appellants say that the plan won't work, that it is unsound, that it doesn't account for the exposure hazard, or catastrophe hazard; they say fire losses have a low frequency but a high severity.

Can Let Competitors Take Risk

If the experience rating is so unsound, these companies should not be fearful, they should let their competitors try it, the competitors will suffer the losses and it will cost the appellants in this case nothing.

The plan is criticized as a one-way street, that through use of reporting and specific insurance it is possible for the surcharged risk to avoid or minimize the surcharges. Credit experience rating plans without surcharges are no novelty in insurance, Mr. McCullough said.

Companies also charge that the case has been prejudged as a result of talks and other testimony of Superintendent Dineen. He said that appellants are dealing with an administrative agency following a policy that those who desire to do so can take up informally various matters and get preliminary opinions. That is the normal. But because the department is run by people who know something about the problem before a decision on it is reached furnishes no grounds for stating that the matter has been prejudged.

Federal Laws Don't Apply

He said the New York insurance law applied, not the Clayton and Robinson-Patman acts, and in accepting or rejecting a filing it is the duty of the lepartment to see if the filing jibes with the New Yorw law. He referred to sections of the law as bearing directly an this point, the most important being section 183, subsection 1 of the insurance law.

He disagreed with the arguments of opposing counsel that public law 15 immunizes insurance from the anti-trust acts. Insurers have demonstrated since 1945 that what they needed was less immunization and more regulation, he declared. The question is who will govern, state or federal, and his conclusion is that the state law applies.

Even so, he argued that the multiple location plan is not in violation of the Clayton act. Insurance is priced at a definite rate, true, but to say that the amount of insurance, the protection or the exposure is the same as the policy limits is "loose thinking." The $100,000 of insurance on a lumber yard is not the same as that amount on a fire resistive building. A good quantitative measure of fire insurance protection has yet to be invented, and the best method probably continues to be the premium. The average fire policy runs from $40 to $50 in premiums; multiple location risk policies run an average of $7,500. There is certainly a difference in quantity.

He saw the problem of competition as one of making a flexible price structure within a rigid price structure.

He pointed out that the New York plan provides definite rules applicable to all risks that are eligible for the plan. It is not subject to manipulation favorable to one risk. Premiums and losses on such business are separated and reported separately to the Multiple Location Service Office which guards against a mixture of business that may lead to an inability to tell if the rates are correct. There are similar safeguards in other fields, as manufacturing and mercantile are separated so one doesn't pay another's way.

The plan is not perfect. When experience rating starts in any field there are some features that can be criticized and changes can be made that will improve it. Practical operation will polish it up.

N.Y.F.I.R.O. Testimony

There has been considerable testimony during the hearing regarding the weaknesses of the discount plan, Abraham Kaplan counsel of N.Y.F.I.R.O. brought out. These seem to center chiefly on need for a bonafide definition of location and on the fact there may not be spread or risk as that concerns goods of insured. One of the multiple locations might be a Grand Central railroad station locker; some risks could have 99% of their values in one location and 1% in another, yet this would give the risk the characteristics for purposes of the plan of "spread."

Mr. Kaplan said his organization would be willing to attemtp to meet these criticisms, if they are raised by the department. Mr. Kaplan put on the stand H. D. Rice, general manager N.Y.F.I.R.O., to testify as to some exhibits. He introduced an expense study made last year by Froggatt & Co. at the General Cover Assn. in an effort to get at the expenses of handling multiple location risk business, and a list of companies deviating from the plan.

Mr. Rice testified there is under way a study by a committee of the Multiple Location Service Office on expenses of handling the business.

The questioning of J. Victor Herd, vice-president of the America Fore, by Carl Newton, counsel for the companies that are making the appeal, emphasized the criticisms of Congress of Interstate Underwriters Board practices in respect to the preferential discounts granted chain stores as against their competitors.

One point brought out by Henry Barkstedt of the America Fore staff was that under a discount and surcharge plan, insured will not continue under a plan of this sort when he must pay a surcharge of any consequence. He goes into the regular market then, or he gets another company to start with him on the discount plan. On the other hand, when he is being credited on his own experience, he is in effect in the insurance business.

Unauthorized Market Issue Debated in Mass.

Admitted companies don't provide an adequate market in Massachusetts for several kinds of risks, brokers told the legislative committee on insurance at Boston during the hearing on Commissioner Harrington's bill to permit unauthorized fire and casualty insurance under special brokerage licenses.

Only boiler, sprinkler leakage, live stock and fire may now be written legally in unauthorized insurers. The bill would require unauthorized insurer to establish a $50 million trust fund in the U. S. This indicates Mr. Harrington had London Lloyds in mind, or it must have at least $200,000 of net assets after properly reserving on premiums. A 4% tax is provided. There was some objection from Insurance Federation of Massachusetts, as to details of the bill, and James Reed of the Gilmour, Rothery & Co. general agency thought it would interfere with reinsurance.

Correction on Auto Results

In the February 16 issue, the report of business of Michigan Mutual Auto was incorrect. Total premiums written by Michigan Mutual Auto in 1949 were $837,825 and the losses were $311,691.

$22,000 Safe Deposit Loss

Upon complaint of H. H. Schwarz of Mattoon, Ill., Richard R. Moffett, 26, was arrested at Upton, Mass., and flown to Mattoon. Moffett was cashier of the state bank of Ashmore, Ill., for two years prior to last April when he disappeared. Schwarz is an automobile accessories dealer. It was reported that Moffett confessed that he pried open Schwarz' safety deposit box in the bank and took large sums in currency. This amounted, it is said, to about $22,000. Schwarz apparently discovered the loss only recently.

The bank of Ashmore is insured in Peerless Casualty through Henry Scarborough & Co., of Chicago.

Accident & Cas. Has Good Year

The annual statement of the U. S. branch of Accident & Casualty shows that the company ended the year with assets of $10,731,767, an increase of $939,060. Reserves for claims, unearned premiums and other liabilities were $7,498,906 compared with $6,732,696 at the end of 1948. The company had a policyholders surplus of $3,232,859, up $172,850.

Trinity Universal Makes Good Gains

Trinity Universal increased its premium writings last year to $11,949,638. The premium reserve was $10,066,843 and assets $18,837,280. Surplus to policyholders was $3,675,893 and the loss ratio on an incurred basis was 43.20.

The affiliated Security National Fire had assets of $1,979,463, surplus to policyholders $1,178,225 and the earned loss ratio was 39.55.

President G. S. Yeargan pointed out to stockholders that Trinity Universal was an early pioneer in the development of multiple line underwriting. The soundness of this decision by the founders is emphasized, he observed, by the fact that broad underwriting powers are now being generally adopted throughout the insurance field.

Hartford Accident Opens Four New Claim Offices

Hartford Accident has opened claim offices at LaSalle, Ill., Oxford, Miss., Atlantic City, and Waco, Tex.

John J. Mohan is in charge at LaSalle. A graduate of the University of Illinois, and an army veteran of the last war, Mr. Mohan has been an adjuster for Hartford since 1946.

Scott Ripley, Jr., is manager at Oxford. He is a graduate of the University of Alabama and served in the navy. He has been with Hartford at Birmingham, Ala., and Jackson, Miss., since 1948.

At Atlantic City, Joseph P. Corcoran is in charge. He graduated from St. Joseph's College and has been with Hartford at Philadelphia since 1944.

Byrl Eastup is in charge at Waco. He graduated from Ardmore Business College and has been an adjuster for Hartford since 1947 at Houston and Pine Bluff, Ark. He served in the navy during the war.

Wants Co-op Exemption

WASHINGTON — Donald Kirkpatrick, general counsel American Farm Bureau Federation, testifying before the House ways and means committee in opposition to taxation of farm cooperatives, suggested that the $75,000 exemption applied to mutual companies may be extended to farm cooperatives. In this connection, he said:

"It has been suggested that an exemption comparable in effect to the $75,000 gross income exemption provided mutual fire and casualty insurance companies under Section 101 (11) be granted to small farmer cooperatives which meet all requirements of section 101 (12) except the earmarking of accumulated surpluses and reserves. We believe that this suggestion is worthy of careful consideration by the committee."

To Write Farm Liability

LANSING, MICH. — Farm Bureau Mutual, organized in Michigan last March, has issued 13,000 automobile policies during its first year and now plans to start writing farmers' comprehensive public liability and farm employers' liability. The Michigan department already has extended its authority to provide for entering the employer liability field.

C.P.C.U. Conference at Cincinnati

CINCINNATI — W. W. Thompson, Philadelphia, assistant dean American Institute for Property & Liability Underwriters, conferred with a number of educational leaders here at a luncheon Monday. Among the group were Dean Frank Neuffer of University of Cincinnati evening college, William Casney, C.P.C.U. instructor; Herman Schottenfels, Cincinnati Fire Underwriters Assn. educational chairman, and A. M. O'Connell, board president.

Set Up Speaking Course in Wis.

Twenty-two adjusters, rating bureau and fire and casualty field men are enrolled in the public speaking course organized by Paul Schrage, Aetna Fire, and J. R. Lossman, National Union Fire, co-chairmen of the Wisconsin public relations committee. Harold Watson, vice-president of Hoffman agency of Milwaukee is the instructor.

CHANGES IN CASUALTY FIELD

Hartford Accident Has 9 Changes in Executive Ranks

Hartford Accident has advanced four in its executive ranks and appointed five new officers. Assistant Secretaries E. A. Cowie, A. P. Sigmans, Robert V. Sinnott and Harry V. Williams were named secretaries. Appointed assistant secretaries were: Donald Day, John F. Gilmore, Harold J. Graham, Arthur W. Gregory, Jr., and Henry G. Mildrum.

Mr. Cowie joined the company in 1925, after graduating from Clarkson College and New York law school. He served in claim offices at Rochester, New York City, Akron and Youngstown before taking charge of the home office claim department. He was made assistant secretary in 1944 and is a member of the New York and Ohio bars.

Before joining the company in 1934, Mr. Sigmans was an adjuster with U.S.F.&G. and later superintendent of the fidelity department of Glens Falls Indemnity. In 1944 he became assistant secretary.

Mr. Sinnott graduated at Trinity College. He joined the company in 1927, and in 1935 was made actuarial supervisor. He is a fellow of Casualty Actuarial Society, and was elected assistant secretary in 1944.

National Council Experience

Before joining Hartford in 1939, Mr. Williams was statistician for National Council on Compensation Insurance. In 1944 he was appointed superintendent of the company's rating and research department and made an assistant secretary. He is a fellow of Casualty Actuarial Society.

Mr. Day has been with the company since 1922, and in 1945 was appointed assistant superintendent of the compensation and liability department. He attended Yale.

Mr. Gilmore joined Hartford in 1922, later becoming special agent in New Hampshire and Vermont, and in 1945 was appointed assistant superintendent of the automobile department.

Mr. Graham was with Lumbermen's Mutual and Continental Casualty before joining Hartford in 1938. He has been manager of the sales promotion department. He attended Northwestern University.

Mr. Gregory has been in the investment department of Hartford Fire for 13 years. He became an assistant secretary of the fire company in 1947. He graduated from Williams College.

Mr. Mildrum joined the company in 1926 after graduating from Worcester Polytechnic Institute, and was appointed assistant superintendent of the compensation and liability department in 1945.

Barnes, Mulligan Named in American Surety Changes

American Surety has organized two new divisions within the casualty departments.

The disability benefits division, part of the casualty insurance department, will supervise the underwriting and handling of disability benefits risks. John S. Barnes, supervising underwriter in the casualty department, has been appointed manager. Mr. Barnes has had considerable experience in the casualty field, having started with the group in 1946.

A new division within the casualty claim department will be known as the workmen's compensation and disability claims division. G. E. Mulligan has been named manager. Mr. Mulligan has had more than 10 years' experience in claim work with American Surety.

Arthur D. Spring Retires From Travelers Post

Arthur D. Spring, superintendent of agencies of casualty, fidelity and surety lines, is retiring after 32 years of service with Travelers and after a total of 40 insurance years. After graduating at University of Minnesota in 1910 he became associated with the David C. Bell Investment Company of Minneapolis, for many years financial and insurance representative of Travelers. In 1918 he became a special agent for Travelers at St. Paul. He was promoted a year later to casualty manager at Kansas City and went to the home office agency department as agency assistant in 1920, with supervision over southern territory. He was promoted to assistant superintendent of agencies in 1924 and to superintendent of agencies in 1927.

Arthur D. Spring

Employers Liability Makes Changes in Northern N. J.

Employers Liability made a number of changes in the field.

Edward R. Bender has been appointed agency supervisor for all companies. Mr. Bender joined Employers in 1949 as a special agent, having had previous service with North America Indemnity and Citizens Casualty.

Alexander D. Burns has been appointed special agent after having been with Aetna Casualty in that territory.

Charles W. Cyrus has been appointed special agent. He started with Employers in 1949 and has received training at the home office.

John H. Shale, Jr., has been appointed chief underwriter. He was formerly with American Casualty as manager of the Newark bonding department. He was with Employers in New York prior to his war service.

Michael A. Fabiano, who has been for some years with Loyalty group, has joined Employers.

A special risk department has been set up in northern New Jersey under the supervision of F. M. Toussaint.

Haefner, Morasch Now V.-P.s of Fireman's Fund Indemnity

Leslie J. Haefner and Fred H. Morasch have been elected vice-presidents of Fireman's Fund Indemnity. Both are vice-presidents of Fireman's Fund and other fire and marine companies in the group and were recently transferred to San Francisco. Mr. Haefner was formerly manager of the Atlantic marine department at New York City and Mr. Morasch was manager of the eastern department at Boston.

Gillott Leaves Company for Fla. Agency Field

Edward J. Gillott has resigned as agency manager of Public National of Miami Beach to join the Adae & Hooper agency of that city. He started with National Bureau of Casualty Underwriters in 1935 and was assistant manager of the burglary and glass division until he joined Public National something over a year ago.

State Farm Ia. Appointments

Louis Kelehan, Iowa director of the State Farm companies, has appointed William I. Martin of Davenport and W. W. Kitchell of Des Moines as district managers. Mr. Martin has been an adjuster and assistant manager of State Farm Mutual. Mr. Kitchell formerly was with farm security administration and joined State Farm Mutual two years ago.

Jennings State Manager

Wayne Jennings, formerly of Marshall, Tex., is now state manager of Oklahoma Mutual Casualty at Oklahoma City. He succeeds Wayne Rogers.

Gates to Fireman's Fund

John W. Gates has been appointed special representative in Tennessee for Fireman's Fund Indemnity with headquarters in the Stahlman building, Nashville. Mr. Gates, before joining Fireman's Fund, was Kentucky and Tennessee field supervisor for Great American Indemnity.

Lawrence E. Benson has been appointed underwriting manager for Mutual Service Casualty of St. Paul. He is a graduate of University of Minnesota and has had several years underwriting experience.

Grant A. Perkins, special agent for U. S. Guarantee at Chicago, has resigned to become a broker with the Childs & Wood agency. He had been with the company since 1936 and had been in the home office until 1947 with the exception of five years in the army. He is the son of O. J. Perkins, retired, who was with the business development department of U. S. Guarantee in New York and prior to that had been resident vice-president for National Surety at Chicago.

The present address of **National Auto of Lincoln, Neb.,** of which V. J. Stanke was recently elected president, is 1138 P street. Eno Gordon, who was elected president when the company was organized earily in 1949, resigned last July. The only change is in the presidency. The vice-president and the other officers were reelected.

ACCIDENT

Speakers Are Announced for Buffalo Sales Congress

Buffalo Assn. of A. & H. Underwriters has changed the date of its sales congress to March 17. It will be an all-day affair starting at 10 a.m. It is expected to wind the program up about 4 p.m. and after that there will be a cocktail party sponsored by the general agents.

Speakers on the program include Carl A. Ernst, North American Life & Casualty, St. Paul, treasurer International association; Sidney Fields, Massachusetts Indemnity, Cleveland, chairman Leading Producers Round Table; Morgan O. Doolittle, president Empire State Mutual, Jamestown, N. Y.; John F. Liebig, assistant vice-president Continental Casualty, Chicago; Alfred W. Perkins, vice-president Union Mutual Life, Portland, Ore.; Richard Caldwell, manager United States Life, Newark, past president New Jersey association; V. F. Helmbrecht, Buffalo general agent United Benefit Life of Omaha; John McDonough, sales manager Colonial Radio Corp., Buffalo.

Florida Congress at Tampa

The mid-winter sales congress of Florida Assn. of A. & H. Underwriters was held at Tampa, with more than 200 in attendance. It was sponsored by the Tampa association. Earle R. Bennett, Provident Life & Accident, Tampa, president of the state association, presided.

Speakers included C. B. Stumpf, president International association, on "None Can Go His Way Alone"; E. H. O'Connor, Insurance Economics Society, "The Farewell State"; Dr. Edward R. Annie, Miami, "American

Medicine, Can Government Improve It?" and John M. McDonald, group sales manager of Gulf Life.

E. A. Faircloth, Wallace Larson, R. McClellan, J. Frank Alexander and John Ferlita were on hand to represent the Florida department.

Downey Calls First Parley on Minimum Benefit Rules

Commissioner Downey of California has called the first preliminary conference on the regulations which he will issue to implement the new A. & H. minimum benefits law of that state March 21 at Los Angeles. The law gives the commissioner wide discretion in regard to the regulations so that they are in a way more important to the companies than the law itself. Formal hearings are expected to be held later. The regulations must be issued prior to July 1 as all new policies submitted for approval after that date must conform to them. However, policies now approved may continue to be used until Jan. 1, 1951.

H. & A. Underwriters Conference and Bureau of A. & H. Underwriters have been asked to have representatives at the preliminary conference. Individual companies may have representatives if they desire but it is expected that most of them will be represented by the two organizations.

Hear Heart Talk at L. A.

A. & H. Managers Club of Los Angeles heard Dr. W. C. Cloe, assistant medical director of Occidental Life, speak on "Diseases of the Heart."

President A. D. Foster named a committee to cooperate with A. & H. Underwriters Assn. in its membership campaign.

The next meeting, March 20, an open meeting at which all insurance associations interested in disability insurance will be represented, is expected to set a pattern for cooperation among disability insurance men.

Sell Needs, Not Commission

At the February meeting of Utah A. & H. Club at Salt Lake City Prof. H. Harold Cutler of the school of business of University of Utah said no single policy contract fits the needs of every prospect. He recommended that A. & H. men sell needs instead of commission, which, as he viewed it, is the professional attitude.

About 30 A. & H. producers are enrolled for a two weeks' sales course conducted by Executive Secretary Wesley J. A. Jones of the International Association, under the auspices of the extension division of University of Utah, with the club sponsoring the course.

Now a Mutual Life Co.

Ministers Life & Casualty Union of Minneapolis has been converted into a mutual life company, its charter providing also for A. & H. and related coverages. The company has operated on a full legal reserve basis since it began writing life insurance in 1924.

In line with life company nomenclature, Mell W. Hobart, who as secretary has been executive officer, now becomes president and Rev. W. J. Bell, formerly president, becomes chairman. O. R. Tripp becomes vice-president and treasurer.

The company's assets are $8,200,188, with surplus of $1,711,622.

Sterling Enters Utah

Sterling has been licensed in Utah to write life and disability. Sterling's program of agency operation has now been extended to 20 states.

Alamo Offers New Policies

Alamo Casualty of San Antonio which has just started writing A. & H. in Texas, has announced three new policies which are non-cancellable and guaranteed renewable after two years, pay for doctor calls, provide a 90-day surgery waiting period, 10 years income, blanket medical coverage and outpatient hospital benefits.

King Heads New Agency

Glen C. King will open a new general agency for Massachusetts Protective and Paul Revere Life at Billings, Mont. He has been with the companies at Great Falls. He started in insurance in 1946. Previously he had been in business in Colorado and was credit manager for a tire manufacturer.

Bureau Seminar Postponed

Developments in the New York situation have made necessary postponement of the educational seminar scheduled for March 1-2 by Bureau of A. & H. Underwriters.

Mass. Bonding has brought out an occupational disability policy and a nonoccupational accident and sickness form, both on the franchise plan. The policies are designed for groups of from five to 200 employes and may be written as basic coverages or as a supplement to existing group policies. The plans have 11 variations. The group purchasing an occupational form may elect to receive only one-half indemnity for occupational accidents at a corresponding reduction in cost.

ASSOCIATIONS

Chicago Adjusters Launch Weekly Educational Lectures

Casualty Adjusters Assn. of Chicago will conduct its educational program every Friday morning from March 3 through April 14 in the Chicago Board auditorium. Meetings will start at 9:30 a.m. and will continue for one hour followed by a 30-minute discussion. The charge for each lecture is $1 per person to cover hall rental and material distributed. The lectures have been arranged as follows:

March 3, automobile contract coverage, Lumbermens Mutual Casualty. March 10, investigation of automobile and public liability claims, Fred P. Hanson, attorney. March 17, investigation and legal aspects of workmen's compensation claims, John A. Nordstrand, Fidelity & Casualty. March 24, medical aspects of claim work, Dr. Willard L. Shabat. April 7, dealing directly with claimants, Mr. Hanson. April 14, settlement and declination procedure, Mr. Hanson.

H. L. Krum, of Royal-Globe-Eagle, is chairman of the education and employment committee.

Discuss Medical Payments

Wichita Casualty & Surety Assn. met Feb. 27 with Chairman Homer H. Minnick, Central Surety, presiding. The program was on "Medical Payments" led by R. J. Fogarty, Fireman's Fund Indemnity.

PERSONALS

C. B. Schneider, supervisor of the automobile department at Minneapolis of American Automobile, was the instructor in a class on auto insurance at Mankato State Teachers College.

A. E. Anderson, manager of casualty underwriting in the Wisconsin department of Hardware Mutuals of Stevens Point, observed his 30th anniverasy with the companies. They presented him a gift of luggage, and associates in the

department held a reception in his honor.

Robert M. McKenna, supervisor at Milwaukee of U. S. F. & G., is conducting a series of lectures on casualty underwriting for the Jefferson County (Wis.) Assn. of Insurance Agents. He opened the series at Jefferson.

Neville Pilling, U. S. manager of Zurich, became a grandfather for the second time the other day almost precisely a year after he was initiated into the grandfather ranks. The second grandchild is named Neville Shawn Pilling and is the son of Mr. and Mrs. Neville Wright Pilling of Lakeland, Fla. The first grandson is Warren Travis Pilling, son of Dr. and Mrs. Warren C. Pilling of Grand Rapids.

A dinner was given at Columbus, O., Monday evening for **Morgan Dudley,** who is retiring as manager there of U. S. F. & G.

B. J. Nietschmann, who has retired as manager at Chicago for National Surety, last week visited New York at the invitation of President Ellis H. Carson for a farewell visit to the home office. In company with Mrs. Nietschmann, Mr. Nietschmann was a guest at a private dinner party at which Mr. and Mrs. Carson, Mr. and Mrs. A. L. Carr, and Mr. and Mrs. Sherman G. Drake were hosts. The Nietschmanns, together with the Carrs and the Drakes, have been well known as gracious hosts and hostesses on behalf of National Surety at conventions.

Mr. Nietschmann was honored at another dinner gathering attended by home office colleagues. These included Messrs. Algire and Abrahams, former vice-presidents now in retirement; also Messrs. Carr, Carson, Clark, Deming, Drake, Keppler and Nichols of the present executive family. Vincent Cullen, former president, was prevented by illness from attending.

NEWS OF THE CASUALTY COMPANIES

Ohio Casualty Gains Impressive

Ohio Casualty reports impressive gains in all directions in its new annual statement. The assets now stand at $34,556,000 which is an increase of $6,122,000. Premiums were $28,348,000, representing a gain of $4,725,000. Despite an increase of $2,420,000 in premium reserve, statutory underwriting profit was earned of $2,447,811. Surplus to policyholders was $8,086,892, which was an increase of $1,640,000.

Bituminous Casualty Makes Splendid Showing

Bituminous Casualty makes a splendid showing in its new statement with assets $25,764,473, a gain of better than $2 million, and surplus to policyholders $5,111,845, which was an increase of about 25%.

H. H. Cleaveland

President H. H. Cleaveland, Jr., remarks that Bituminous has been able to increase its surplus 85% during the past three years without issuing additional stock for sale. This was brought about by profitable underwriting and investment results.

Mr. Cleaveland recalled that the company was founded in 1917 for the sole purpose of providing compensation cover for coal mine operators that were unable to secure such insurance elsewhere. In 1932 fortunately, he declared, the management decided to diversify the operations and write other classifications. Today only one-eighth of the premiums originate with the coal mine division. There was quite a decrease in compensation premiums and this was due entirely to the drastic reduction in coal mine payrolls.

Total premiums written were $13,836,116 and the underwriting and investment income before taxes was $1,782,576.

Bituminous Fire & Marine also had very satisfactory results.

Names Four Directors

Four resident vice-presidents of Pacific Employers have been elected directors. They are: Robert B. Stille, manager of northern California; Robert G. Waters, manager at Houston; Stanton Haight, manager at San Francisco, and Thomas McDermott, manager at Los Angeles.

Tri-State Shows Strength

Tri-State Ins. Co., Tulsa, the president of which is Perry D. Inhofe, in its new statement reports assets of $3,526,510. The premium reserve is $1,130,101, claim reserve $1,065,972. Capital is $250,000 and net surplus $641,965, giving surplus to policyholders of $891,965.

Curtis E. Calder, chairman of Electric Bond & Share Co., has been elected a director of **U. S. Guarantee.** He is also a director of Cathay.

The quarterly dividend rate of **Great American Indemnity** has been increased from 10 cents to 12½ cents or at the annual rate of 50 cents compared with 40 cents that has been paid since 1943.

The California department has granted a rereservation of the name **Mayflower Life & Casualty** for a company to be organized at Los Angeles. The name had been reserved previously, but the reservation expired by statute.

Surplus in the following company reports refers to surplus to policyholders.

Allied Mutual Cas., Ia.—Assets, $5,531,813, incr., $1,037,061; unearned prem., $2,154,313; loss res., $1,728,656; surplus, $1,418,605, incr., $468,450.

	Net Prems.	Paid Losses
Auto liability	$1,220,009	$ 482,119
Other liability	361,645	72,686
Workmen's comp.	399,599	191,626
Glass	11,352	5,371
Burglary & theft	30,465	9,738
Auto prop. damage	867,021	365,614
Auto collision	1,010,512	321,334
Other P. D. & coll.	26,046	6,802
Other auto	666,255	192,624
Totals	$4,592,904	$1,647,914

American Fidelity, Vt. — Assets, $3,520,967, incr., $559,978; unearned prem., $956,361; loss res., $797,230; capital, $1,000,000; surplus, $1,536,318, incr., $44,604.

Accident	$ 649	$ 141
Health	34	...
Auto liability	858,373	297,990
Other liability	212,277	32,707
Workmen's comp.	327,371	140,418
Fidelity	32,409	8,476
Surety	78,470	16,870
Glass	30,807	7,890
Burglary & theft	49,250	12,859
Auto prop. damage	403,145	176,297
Auto collision	24,215	8,322
Other P.D. & coll.	24,521	3,671
Total	$2,041,536	$ 705,646

American Surety — Assets, $59,143,321, incr., $7,025,187; unearned prem., $16,028,068; loss res., $16,489,166; capital, $7,500,000; surplus, $22,023,825, incr., $3,465,071.

Accident	$ 8,474	$ 2,422
Auto liability	7,717,781	3,666,523
Other liability	2,446,982	631,028
Workmen's comp.	4,114,816	2,112,277
Fidelity	2,422,865	597,375
Surety	2,717,041	178,986
Glass	446,956	181,063
Burglary & theft	940,933	322,789

	Net Prems.	Paid Losses
Auto prop. damage	3,718,958	2,177,034
Other P.D. & coll.	485,642	121,725
Auto & In. mar.	4,004,778	1,861,389
Total	$29,025,230	$11,852,615

Automobile Club, Ohio—Assets, $367,871, incr., $48,220; unearned prem., $127,927; loss res., $62,784; capital, $100,000; surplus, $157,327, incr., $24,984.

Auta liabilithy	$ 63,523	$ 26,781
Other liability	150	......
Auto liability	$ 63,523	$ 26,781
Auto collision	100,956	43,400
Other auto	33,126	10,566
Totals	$ 261,248	$ 110,775

Auto-Owners—Assets, $16,466,215, incr., $2,870,433; unearned prem., $5,242,482; loss res., $5,673,305; surplus, $4,334,063, incr., $1,981,038.

Auto liability	$2,657,849	$ 955,090
Other liability	313,899	45,534
Workmen's comp.	1,359,262	547,482
Pass. acc.	480,116	168,329
Comp. cov.	1,119,104	329,646
Glass	81,905	36,276
Burglary & theft	133,032	49,200
Misc.	136	109
Auto prop. damage	2,276,625	1,034,128
Auto collision	2,892,127	1,064,788
Other P.D. & coll.	147,213	22,073
Towing	152,296	54,663
Totals	$11,613,564	$4,307,318

Beacon Mutual Indemnity—Assets, $1,565,773, incr., $398,389; unearned prem., $580,261; loss res., $457,432; capital, $300,000; surplus, $499,695, incr., $217,962.

Accident	$ 76,407	$ 24,116
A. & H.	46,419	15,187
Auto liability	319,075	115,314
Other liability	24,651	401
Glass	5,563	1,371
Hospitalization	92,167	33,464
Auto prop. damage	333,923	117,666
Auto collision	441,742	117,642
Other P.D. & coll.	6,658	1,163
Misc. auto	191,297	45,465
Totals	$1,537,903	$ 471,789

Bituminous Casualty—Assets, $25,764,473, incr., $2,162,340; unearned prem., $3,271,965; loss res., $14,127,557; capital, $1,000,000; surplus, $5,111,845; incr., $1,012,236.

Auto liability	$ 989,277	$ 389,198
Other liability	1,197,569	216,090
Workmen's comp.	10,336,973	5,021,513
Auto prop. damage	541,795	283,800
Auto collision	398,450	167,825
Other P.D. & coll.	372,049	72,278
Totals	$13,836,116	$6,150,707

California Compensation — Assets, $9,091,268, incr., $780,900; unearned prem., $1,260,617; loss res., $6,020,521; capital, $178,585; surplus, $1,042,596, incr., $90,952.

Auto liability	$ 221,318	$ 51,336
Other liability	292,143	38,969
Workmen's comp.	6,246,354	2,740,420
Auto prop. damage	145,955	40,926
Auto collision	131,929	40,264
Other P.D. & coll.	109,945	18,479
Other auto	56,815	9,176
Totals	$7,204,459	$2,939,570

Citizens' Mutual Auto, Mich.—Assets, $6,629,123, incr., $1,918,428; unearned prem., $2,860,410; loss res., $1,843,901; surplus, $1,424,967, incr., $517,517.

Auto liability	$1,795,894	$ 451,783
Other liability	15,111	100
Fidelity	133	......
Surety	133	......
Burglary & theft	1,154	......
Auto prop. damage	1,494,989	582,712
Auto collision	2,094,186	865,027
Other P.D. & coll.	6,764	312
Other auto	1,023,191	296,581
Totals	$6,431,555	$2,196,515

Commercial Standard—Assets, $7,379,001, incr., $1,004,631; unearned prem., $2,508,888; loss res., $1,975,905; capital, $1,000,000; surplus, $2,029,114, incr., $381,791.

Auto liability	$1,293,874	$ 532,749
Other liability	182,189	30,465
Workmen's comp.	1,408,867	658,481
Fidelity	44,679	1,738
Surety	82,968	—2,378
Glass	44,688	20,225
Burglary & theft	48,928	23,266
Title	200,249	8,994
Auto prop. damage	759,312	282,375
Auto collision	890,733	309,166
Other P.D. & coll.	94,378	17,069
Other auto	477,650	159,959
Fire lines	430,925	170,827
Totals	$5,959,445	$2,212,942

Continental Fire & Cas.—Assets, $1,102,438, decr., $49,932; unearned prem., $518,274; loss res., $125,954; capital, $250,000; surplus, $394,619, decr., $78,734.

Auto liability	$ 83,801	$ 50,122
Other liability	11,755	6,982
Workmen's comp.	37,588	74,033
Glass	3,394	2,555
Burglary & theft	5,312	8,464
Misc. fire	1,063	54
Tornado	3,085	70
Ext. cover	82,987	10,689

	Net Prems.	Paid Losses
Fire	93,381	46,589
Auto prop. damage	47,513	16,838
Auto collision	158,743	45,215
Other P.D. & coll.	2,006	193
Other auto	85,112	17,646
Inland marine	6,505	9,055
Totals	$ 622,251	$ 288,512

Country Mutual Cas., Ill.—Assets, $11,206,543, incr., $2,165,909; unearned prem., $2,816,600; loss res., $3,716,322; surplus, $4,114,782, incr., $939,732.

	Net Prems.	Paid Losses
Auto liability	$2,058,842	$ 941,766
Employers liability	445,877	197,280
Auto comp.	65,938	6,111
Bailee locker	14,057	538
Auto theft, fire, wind	947,587	186,210
Misc. liab.	10,139	3,210
Cargo	46,883	10,854
Auto prop. damage	1,257,239	859,242
Auto collision	4,688,151	2,604,332
Livestock	4,005	2,813
Totals	$9,538,718	$4,812,356

Economy Auto, Ill.—Assets, $3,587,531, incr., $672,962; unearned prem., $1,115,529; loss res., $903,374; capital, $200,000; surplus, $1,308,309, incr., $249,024.

	Net Prems.	Paid Losses
Auto accident	$ 2,090	......
Auto liability	790,541	$ 184,000
Other liability	5,317	462
Glass	118	7
Other medical	2,143	214
Auto prop. damage	513,660	154,927
Auto collision	637,268	202,444
Other P.D. & coll.	2,265	94
Other auto	265,510	67,118
Auto misc.	7,801	1,963
Totals	$2,226,713	$ 611,229

Electric Mutual Liability—Assets, $3,797,875, incr., $333,198; unearned prem., $238,514; loss res., $1,531,016; surplus, $1,371,286, incr., $151,374.

	Net Prems.	Paid Losses
Auto liability	$ 168,316	$ 35,654
Other liability	62,705	5,742
Workmen's comp.	1,475,523	644,059
Auto prop. damage	85,323	36,665
Other P.D. & coll.	34,661	4,865
Totals	$1,826,531	$ 726,985

Emmco Casualty—Assets, $2,872,107, decr., $985,915; loss res., $723,655; capital, $450,000; surplus, $1,705,591, incr., $632,732.

	Net Prems.	Paid Losses
Hospitalization	$ 33,839	$ 31,610
Auto liability	80,040	358,544
Other liability	—4,178	3,225
Workmen's comp.	29,027	44,298
Fidelity	—3,035	458
Surety	4,991	—1,257
Glass	838	4,862
Burglary & theft	—5,052	9,134
Auto prop. damage	59,304	244,986
Auto collision	92,174	199,955
Other P.D. & col.	1,370	3,358
Other auto	28,627	79,605
Totals	$ 317,948	$ 978,776

Factory Mutual Liability—Assets, $22,156,406, incr., $1,871,259; unearned prem., $2,411,079; loss res., $3,894,660; guarantee fund, $250,000; surplus, $13,690,092, incr., $552,138.

	Net Prems.	Paid Losses
Auto liability	$3,571,688	$ 823,875
Other liability	61,778	7,302
Burglary & theft	129,285	25,726
Auto prop. damage	1,614,289	500,658
Auto collision	1,598,013	345,044
Totals	$6,975,054	$1,702,605

Farm Bureau Mutual, Mo.—Assets, $1,568,081, incr., $478,620; unearned prem., $414,839; loss res., $445,947; capital, $99,000; surplus, $606,305, incr., $205,924.

	Net Prems.	Paid Losses
Auto liability	$ 467,875	$ 145,809
Other liability	70,732	15,309
Livestock club	774	44
Auto prop. damage	203,628	93,489
Auto collision	510,907	220,284
Other auto	185,889	66,666
Fire lines	22,458	5,294
Totals	$1,462,267	$ 546,897

Freeport Motor Cas.—Assets, $4,661,398, incr., $847,530; unearned prem., $1,418,743; loss res., $834,321; capital, $306,525; surplus, $2,004,801; incr., $435,270.

	Net Prems.	Paid Losses
Auto liability	$1,022,343	$ 270,410
Other liability	57,425	3,203
Auto towing	6,129	1,298
Auto prop. damage	615,642	221,097
Auto collision	853,738	257,623
Other P.D.	28,357	9,575
Other auto	391,085	106,443
Totals	$2,974,719	$ 869,649

Georgia Cas. & Surety—Assets, $758,472, incr., $334,615; unearned prem., $268,912; loss res., $100,123; capital, $135,990, incr., $34,150; surplus, $325,103, incr., $71,053.

	Net Prems.	Paid Losses
Auto liability	$ 154,479	$ 22,650
Other liability	10,649	148
Workmen's comp.	17,807	7,317
Glass	3,761	517
Burglary & theft	3,091	364
Auto prop. damage	80,583	25,513
Auto collision	137,000	42,583
Other P.D. & coll.	901	65
Other auto	82,154	18,147
Totals	$ 490,429	$ 117,306

Harleysville Mutual Cas.—Assets, $8,705,506, incr., $1,079,424; unearned prem., $2,506,264; loss res., $3,159,664; surplus, $2,741,658, incr., $845,369.

	Net Prems.	Paid Losses
Auto liability	$2,977,731	$1,068,244
Other liability	58,723	6,030
Auto prop. damage	1,881,544	842,500
Other P.D. & coll.	11,184	3,100
Totals	$4,929,182	$1,919,874

Hartford Accident—Assets, $209,633,804, incr., $30,059,548; unearned prem., $51,278,905; loss res., $81,429,347; capital, $10,000,000; surplus, $66,103,340, incr., $16,216,548.

	Net Prems.	Paid Losses
Accident	$1,640,191	$ 620,422
Health	161,724	53,475
Group A. & H.	482,651	250,439
Auto liability	35,512,431	13,570,417
Other liability	13,671,363	4,193,285
Workmen's comp.	28,520,248	13,736,546
Fidelity	2,574,309	856,255
Surety	5,048,420	684,465
Glass	1,404,954	512,440
Burglary & theft	4,582,400	1,465,863
Boiler & machinery	324	......
Live stock	......	—675
Auto prop. damage	17,434,436	7,810,085
Auto collision	975,901	405,848
Other P.D. & coll.	3,009,153	886,670
Totals	$115,018,513	$45,045,541

Hoosier Casualty—Assets, $4,034,006, incr., $432,955; unearned prem., $1,147,440; loss res., $933,575; capital, $300,000; surplus, $1,579,443, incr., $260,803.

	Net Prems.	Paid Losses
A. & H.	$1,744,687	$ 851,706
Group A. & H.	530,125	359,809
Auto liability	527,644	235,985
Other liability	17,891	246
Auto medical	74,961	28,047
Auto misc.	1,914	455
Misc. medical	2,582	142
Auto prop. damage	492,338	199,630
Auto collision	573,807	160,460
Other P.D. & coll.	1,760	23
Other auto	197,558	48,913
Auto fire, theft	48,094	8,063
Totals	$4,213,366	$1,893,485

Illinois Mutual Casualty—Assets, $1,121,593, incr., $165,464; unearned prem., $446,568; loss res., $175,903; surplus, $421,384, incr., $11,070.

	Net Prems.	Paid Losses
A. & H.	$2,007,388	$1,048,144

Indiana Ins.—Assets, $5,197,254, incr., $1,044,500; unearned prem., $2,250,698; loss res., $1,025,226; capital, $300,000; surplus, $1,224,411, incr., $313,486.

	Net Prems.	Paid Losses
Fire	$ 434,540	$ 125,090
Tornado	11,655	2,949
Ext. cover	264,959	69,081
Inland marine	25,317	8,181
Auto liability	870,566	243,667
Other liability	45,450	2,853
Towing	3,556	855
Bonds	3,873	127
Glass	35,991	14,297
Burglary & theft	40,744	16,501
Auto med.	118,743	43,501
Auto prop. damage	721,520	308,577
Auto collision	1,013,070	344,052
Other P.D. & coll.	13,030	1,449
Other auto	445,050	135,287
Totals	$4,048,071	$1,316,476

Interboro Mutual Indemnity, N. Y.—Assets, $7,279,925, incr., $50,661; unearned prem., $831,391; loss res., $4,091,683; surplus, $1,666,032, incr., $120,359.

	Net Prems.	Paid Losses
Auto liability	$ 968,644	$ 496,040
Other liability	163,337	119,717
Workmen's comp.	1,776,749	952,272
Auto prop. damage	351,669	153,408
P.D. & coll.	6,764	1,341
Totals	$3,267,163	$1,722,778

Iowa Mutual Casualty—Assets, $3,247,238, incr., $636,282; unearned prem., $1,609,610; loss res., $850,825; surplus, $636,320, incr., $123,022.

	Net Prems.	Paid Losses
Auto liability	$ 841,446	$ 295,531
Other liability	197,240	32,035
Workmen's comp.	354,538	114,766
Cargo	—70	......
Glass	38,065	15,443
Burglary & theft	52,689	11,558
Auto prop. damage	563,288	287,435
Auto collision	757,146	342,360
Other P.D. & coll.	75,529	22,415
Other auto	461,251	156,639
Totals	$3,341,125	$1,278,187

Jamestown Mutual—Assets, $3,916,754, incr., $275,703; unearned prem., $782,066; loss res., $2,102,631; surplus, $625,679, incr., $56,688.

	Net Prems.	Paid Losses
Auto liability	$ 707,760	$ 297,142
Other liability	91,537	25,835

(CONTINUED ON NEXT PAGE)

(CONT'D FROM PRECEDING PAGE)

	Net Prems.	Paid Losses
Workmen's comp....	1,221,891	640,200
Auto prop. damage.	320,561	134,533
Auto collision	17,957	5,332
Other P.D. & coll....	12,694	1,517
Totals	$2,372,400	$1,104,559

London Guarantee—Assets, $28,203,276, incr., $2,044,334; unearned prem., $6,168,-840; loss res., $12,103,018; stat. deposit, $900,000; surplus, $7,894,234, incr., $481,-931.

	Net Prems.	Paid Losses
Accident	$ 221,988	$ 77,268
Health	11,984	6,027
Auto liability	2,903,728	1,251,683
Other liability	1,601,098	515,222
Workmen's comp....	4,462,764	2,181,674
Fidelity	43,259	13,319
Surety	58,232	983
Glass	246,408	104,283
Burglary & theft...	520,588	235,653
Boiler & machinery.	389,740	122,643
Water damage	2,602	2,808
Auto prop. damage.	1,547,575	684,046
Auto collision	17,831	8,323
Other P.D. & coll....	275,361	69,427
Credit	1,172,982	60,697
Totals	$13,476,145	$5,334,056

Lumber Mutual Cas., N. Y.—Assets, $6,809,634, incr., $410,496; unearned prem., $830,161; loss res., $4,312,437; surplus, $1,075,238, incr., $63,756.

	Net Prems.	Paid Losses
Auto liability	$ 475,042	$ 121,228
Other liability	315,656	66,012
Workmen's comp....	3,064,343	1,642,826
Auto prop. damage.	222,286	96,383
Auto collision	3,837	375
Other P.D. & coll....	117,105	20,221
Totals	$4,198,269	$1,947,045

Massachusetts Indemnity—Assets, $7,-948,604, incr., $1,244,616; unearned prem., $3,284,295; loss res., $1,545,287; capital, $500,000; surplus, $2,900,729, incr., $485,-817.

	Net Prems.	Paid Losses
A. & H.	$ 217,305	$ 137,773
Non-can. A. & H....	3,979,897	960,027
Totals	$4,197,202	$1,097,800

Michigan Mutual Liability—Assets, $30,511,118, incr., $4,049,895; unearned prem., $7,090,568; loss res., $14,346,906; surplus, $6,502,237, incr., $730,509.

	Net Prems.	Paid Losses
Accident	$ 38,362	$ 21,369
Group A. & H.......	57,751	38,743
Auto liability	3,596,015	1,217,189
Other liability	730,219	104,785
Workmen's comp....	8,240,759	3,526,214
Glass	17,789	7,890
Burglary & theft...	26,973	6,228
Auto med.	262,858	117,152
Auto prop. damage.	2,542,602	1,176,131
Auto collision	2,496,761	985,646
Other P.D. & coll....	215,269	46,012
Other auto	1,469,399	419,416
Fire lines	99,155	20,312
Totals	$19,793,919	$7,687,093

Mid-States, Chicago—Assets, $5,237,-639, incr., $1,195,760; unearned prem., $3,-334,448, loss res., $505,491; capital, $400,-000; surplus, $870,641, incr., $144,677.

	Net Prems.	Paid Losses
Accident	$ 26,097	$ 11,561
Auto liability	186,942	64,095
Other liability	......	2,066
Auto prop. damage.	111,341	44,070
Auto collision	3,286,881	1,281,139
Other auto	1,148,868	306,373
Misc. auto	61,071	20,326
Totals	$4,821,201	$1,729,630

Motor Vehicle Cas.—Assets, $3,349,761, incr., $487,204; unearned prem., $1,364,-753; loss res., $761,876; capital, $300,000; surplus, $857,957, incr., $235,976.

	Net Prems.	Paid Losses
Auto liability	$ 952,711	$ 393,073
Other liability	28,015	5,173
Misc. auto	6,210	1,713
Auto prop. damage.	631,269	235,952
Auto collision	792,953	269,748
Other compre.	364,767	109,886
Auto fire, theft, wind	50,192	5,583
Totals	$2,826,122	$1,021,131

Mutual Boiler—Assets, $6,888,027, incr., $1,012,875; unearned prem., $2,467,553; loss res., $493,467; surplus, $3,135,381, incr., $626,097.

	Net Prems.	Paid Losses
Workmen's comp....$	6,160	......
Boiler & machinery.	6,014,172	$ 627,307
Fire (reins.)	14,889	8,845
Totals	$6,035,222	$ 636,153

National Grange Mutual Liab.—Assets, $10,414,511, incr., $1,957,704; unearned prem., $2,904,800; loss res., $3,301,372; guaranty fund, $1,200,000; surplus, $2,-610,984; incr., $392,902.

	Net Prems.	Paid Losses
Auto liability	$3,262,255	$ 996,734
Other liability	394,561	78,701
Workmen's comp....	168,073	50,967
Fidelity	10,083	562
Surety	1,580	......
Fire	—3,755	3,765
Auto prop. damage.	1,509,322	543,554
Auto collision	747,710	242,581
Other P.D. & coll....	14,701	3,906
Other auto	169,655	61,851
Totals	$6,274,190	$1,982,625

New York Casualty—Assets, $15,480,-656, incr., $1,241,476; unearned prem., $4,-930,735; loss res., $5,117,327; capital, $1,500,000; surplus, $4,538,280, incr., $522,-238.

	Net Prems.	Paid Losses
Accident	$ 2,630	$ 751
Auto liability	2,395,173	1,137,886
Other liability	759,408	195,836
Workmen's comp....	1,277,012	655,534
Fidelity	751,735	185,392
Surety	843,219	55,547
Glass	138,710	56,192
Burglary & theft...	292,332	100,176
Auto prop. damage.	1,154,029	675,631
Other P.D. & coll....	150,716	37,776
Auto & In. mar.....	1,242,862	577,672
Totals	$9,007,830	$3,678,397

Peerless Casualty—Assets, $9,793,462, incr., $2,595,091; unearned prem., $2,597,-746; loss res., $3,299,732; capital, $1,250,-000; surplus, $3,316,321, incr., $965,502.

	Net Prems.	Paid Losses
A. & H.	$ 422,456	$ 153,098
Auto liability	1,675,110	573,767
Other liability	490,952	102,382
Workmen's comp....	596,603	216,651
Fidelity	351,879	70,716
Surety	1,096,065	92,857
Glass	1,298	......
Burglary & theft...	168,716	58,853
Auto prop. damage.	530,483	177,195
Auto collision	243,426	80,816
Other P.D. & coll....	76,072	23,652
Other auto	119,332	11,664
Inland marine	21,832	9,749
Totals	$5,794,224	$1,571,400

Phoenix Indemnity — Assets, $16,572,-991, incr., $1,456,760; unearned prem., $4,-345,622; loss res., $6,505,505; capital, $2,000,000; surplus, $4,594,230, incr., $343,-756.

	Net Prems.	Paid Losses
Accident	$ 329,948	$ 109,894
Health	38,898	11,293
Auto liability	2,522,159	1,064,027
Other liability	1,188,208	303,572
Workmen's comp....	2,067,400	874,378
Fidelity	38,493	11,087
Surety	110,633	14,644
Glass	251,632	104,310
Burglary & theft...	481,281	194,936
Boiler & machinery.	194,733	22,769
Water damage	4,914	2,108
Auto prop. damage.	1,374,779	587,850
Auto collision	7,981	4,061
Other P.D. & coll....	154,161	32,959
Totals	$8,765,225	$3,337,888

Republic Indemnity—Assets, $1,496,-723, incr., $248,410; unearned prem., $545,-516; loss res., $425,838; capital, $257,589; surplus, $347,578, decr., $11,695.

	Net Prems.	Paid Losses
Auto liability	$ 322,461	$ 93,592
Other liability	21,889	24,764
Workmen's comp....	342,568	102,329
Glass	—406	206
Burglary & theft...	—125	—801
Auto prop. damage.	348,042	84,000
Auto collision	457,377	173,770
Other P.D. & coll....	4,788	939
Other auto	149,752	39,578
Totals	$1,646,346	$ 518,377

Southern Fire & Cas.—Assets, $2,494,-235, incr., $578,311; unearned prem., $982,673; loss res., $668,734; capital, $300,-000; surplus, $700,641, incr., $141,103.

	Net Prems.	Paid Losses
Auto liability	$ 747,112	$ 209,164
Other liability	19,938	10,588
Workmen's comp....	129,934	47,031
Auto prop. damage.	409,797	129,200
Auto collision	255,963	112,762
Other P.D. & coll....	5,916	1,414
Other auto	177,904	39,270
Fire	165,127	27,384
Totals	$1,911,691	$ 576,813

Standard Accident—Assets, $69,729,735, incr., $5,785,172; unearned prem., $16,-882,591; loss res., $24,812,727; capital, $4,-926,260; surplus, $20,557,733, incr., $2,-434,204.

	Net Prems.	Paid Losses
Accident	$ 837,068	$ 305,593
Health	71,922	46,447
Group A. & H.......	1,172,758	767,996
Non-can. A. & H....	292	1,300
Auto liability	11,579,841	3,683,495
Other liability	3,302,882	1,141,118
Workmen's comp...	8,459,682	4,023,912
Fidelity	791,638	232,178
Surety	2,912,760	220,285
Glass	398,587	174,798
Burglary & theft ...	850,927	250,896
Boiler & machinery.	—20,089	658
Auto prop. damage.	4,482,122	2,009,498
Auto collision	822,743	271,104
Other P.D. & coll....	883,028	243,380
Totals	$36,546,167	$13,372,665

State Auto, Ia.—Assets, $6,028,433, incr., $1,163,747; unearned prem., $1,988,970; loss res., $1,466,077; surplus, $1,797,644, incr., $448,374.

	Net Prems.	Paid Losses
A. & H.	$ 387,066	$ 123,041
Auto liability	1,460,488	474,352
Other liability	201,114	51,859
Fidelity & surety...	46,076	6,638
Cargo	149,630	36,423
Auto prop. damage.	1,132,052	350,050
Auto collision	945,489	314,621
Other P.D. & coll....	37,014	16,372
Other auto	660,089	179,533
Livestock transit...	399,369	181,041
Totals	$5,418,393	$1,733,930

State Farm Mutual Auto, Ill.—Assets, $119,526,661, incr., $23,496,427; unearned prem., $21,282,881; loss res., $32,971,563; surplus, $55,385,485, incr., $16,635,800.

	Net Prems.	Paid Losses
Auto liability	$29,506,779	$11,734,527
Other liability	263,403	46,819
Auto compre.	10,045,322	3,447,200
Auto prop. damage.	13,520,482	7,005,285
Auto collision	28,545,966	10,049,181
Other P.D. & coll....	50,864	12,041
Fire (Reins. assum.)	514,836	16,571
Totals	$82,447,652	$32,311,625

Superior, Dallas — Assets, $3,987,003, incr., $789,912; unearned prem., $1,854,-574; loss res., $755,283; capital, $500,000; surplus, $1,138,077, incr., $61,881.

	Net Prems.	Paid Losses
Auto liability	$ 750,470	$ 232,625
Other liability	103,060	14,459
Workmen's comp....	726,581	473,317
Surety	31,120	......
Glass	27,221	3,478
Burglary & theft...	17,550	2,084
Cargo	17,654	3,748
Auto prop. damage.	444,118	85,402
Auto collision......	1,395,675	444,068
Other P.D. & coll...	30,668	1,951
Other auto	504,548	154,673
Totals	$4,048,670	$1,415,805

Texas Employers—Assets, $13,320,780, incr., $492,129; unearned prem., $1,328,-913; loss res., $6,993,098; surplus, $4,599,-327, incr., $8,484.

	Net Prems.	Paid Losses
Workmen's comp...	$14,857,884	$7,688,828

Travelers Indemnity—Assets, $108,198,-173, incr., $19,542,229; unearned prem., $42,284,298; loss res., $21,590,378; capital, $6,000,000, incr., $3,000,000; surplus, $32,-441,540, incr., $6,397,685.

	Net Prems.	Paid Losses
Auto liability	$6,040,981	$2,296,538
Other liability	3,194,967	634,972
Workmen's comp....	4,998,783	2,388,696
Fidelity	1,003,806	262,930
Surety	2,239,587	35,916
Glass	1,116,557	418,329
Burglary & theft...	5,694,086	2,027,644
Boiler & machinery.	4,237,374	1,094,110
Auto prop. damage.	22,395,664	10,220,599
Auto collision	19,222,756	6,932,869
Other P.D. & coll...	3,405,611	874,918
Totals	$73,550,177	$27,187,526

Travelers—Assets, $1,879,400,380, incr., $114,373,611; unearned prem., $56,259,743; loss res., $103,760,343; capital, $40,000,-000, incr., $20,000,000; surplus, $201,850,-129, incr., $19,473,495.

	Net Prems.	Paid Losses
Accident	$16,515,378	$5,094,958
Health	1,009,355	341,920
Group A. & H.......	47,927,932	34,573,975
Non-can. A. & H....	17,485	188,384
Auto liability	39,197,409	15,489,319
Other liability	12,465,635	4,603,167
Workmen's comp....	39,347,968	19,821,735
Totals	$156,481,166	$80,113,461

Trinity Universal—Assets, $18,837,280, incr., $3,300,689; unearned prem., $10,066,-843; loss res., $2,662,497; capital, $1,000,-000; surplus, $4,425,893, incr., $903,647.

	Net Prems.	Paid Losses
Auto liability	$1,961,943	$ 816,432
Other liability	323,633	49,205
Workmen's comp....	747,821	383,033
Fidelity	48,611	8,855
Surety	472,387	8,121
Glass	275,973	105,044
Burglary & theft...	135,781	39,645
Misc. auto	70,975	52,346
Auto prop. damage.	1,092,303	498,850
Auto collision	2,458,235	546,477
Other P.D. & coll....	56,337	8,453
Other auto	1,075,970	210,088
Fire lines	3,229,662	806,389
Totals	$11,949,638	$3,532,942

Union Auto Indemnity, Ill.—Assets, $2,817,697, incr., $497,658; unearned prem., $1,049,787; loss res., $713,992; surplus, $919,063, incr., $249,347.

	Net Prems.	Paid Losses
Auto liability	$ 686,290	$ 209,501
Other liability	25,899	2,539
Auto prop. damage.	475,534	189,075
Auto collision	658,259	233,263
Other P.D. & coll...	6,405	2,741
Other auto	285,720	79,023
Totals	$2,138,107	$ 716,142

U. S. Guarantee—Assets, $35,881,880, incr., $3,009,016; unearned prem., $7,783,-479; loss res., $5,149,496; capital, $2,000,-000; surplus, $16,644,897, incr., $2,108,489.

	Net Prems.	Paid Losses
Accident	$ 51,014	$ 12,472
Auto liability	1,251,606	863,985
Other liability	1,124,378	405,476
Workmen's comp....	142,810	74,807
Fidelity	1,059,993	332,357
Surety	2,110,682	144,050
Glass	64,308	25,495
Burglary & theft ..	518,149	324,873
Water damage	17,339	10,111

	Net Prems.	Paid Losses
Auto prop. damage.	575,729	391,272
Auto collision	47,519	12,664
Other P.D. & coll....	208,185	101,137
Fire & marine......	5,050,276	1,802,620
Totals	$12,221,993	$4,501,323

Wolverine — Assets, $5,749,098; incr., $972,997; unearned prem., $4,551,281; loss res., $1,463,795; capital, $200,000; surplus, $929,664, incr., $256,672.

Auto liability	$1,454,910	$ 405,267
Other liability	136,312	6,686
Workmen's comp....	3,339	923
Glass	65,531	14,358
Burglary & theft...	62,510	10,560
Med. pay. Not auto..	18,712	6,966
Auto prop. damage.	1,058,737	426,133
Auto collision	1,405,318	440,344
Other P.D. & coll....	47,306	9,361
Other auto	647,074	177,641
Totals	$4,899,749	$1,498,239

Third Party Insurer Is Held Liable in Wis. for Death of Own Insured

The Wisconsin supreme court has rendered a decision that has the effect of making a third party insurer liable for the death of its own insured. The case is Masanz, admr. vs. Farmers Mutual Automobile.

Donald Masanz, the insured, was killed when his auto, driven by a friend named Gorman, ran off the road. Several young people were returning from a dance in Masanz' car when Masanz became tired and asked Gorman to take the wheel. Three quarters of a mile thereafter the road joined another highway in a "T." Gorman drove off the end of the "T" into a ditch and Masanz was killed. The others in the car had relaxed and were aroused only by the crash.

There was evidence of skidmarks leading back from where the car rested for a distance of 50 to 90 feet. Gorman had been seen drinking beer but there was no testimony as to how much and none that he was affected by this. There was no evidence of excessive speed and no one had disapproved of the way the car was being driven. When plaintiff closed Farmers Mutual rested and moved for a directed verdict. This was denied and the case went to the jury. It was found that Gorman was negligent insofar as management and control were concerned and that Masanz had not assumed this risk.

The higher court, in affirming the judgment, asserted that respecting the insurer's argument that Masanz must be held to have assumed the risk of Gorman's negligence, whatever that might be, that the skidmarks were not of a length or character to establish as a matter of law that the negligence was of such duration that Masanz was bound either to observe it and act for his own protection or to assume the risk thereof.

Debate "Comp" State Fund Proposals in Mass.

E. F. Connelly of American Mutual Alliance testified before a Massachusetts legislative committee on state administration that is considering two bills to establish a state workmen's compensation fund, that this might compel large domestic insurance companies to leave the state. He pointed out that the state would lose the $1 million in premium taxes now paid by insurers on compensation business and observed that in Ohio, which has a monopolistic compensation fund, the industrial accident death rate in 1947 was 42.4 per 100,000, whereas in Massachusetts it was only 13.4. He said that no state insurance organization that performs similar functions will be able substantially to undercut the amount used by mutual companies in the administration of their business.

S. B. Horovitz, representing Massachusetts Federation of Labor, contended that of the $54 million in compensation premiums in 1950, only $18 million would reach the workers. He said a state fund is the only way to eliminate a "middleman with a 40% profit."

Jarvis Hunt, speaking for Associated Industries of Massachusetts, expressed the belief the state cannot handle this business as well as private insurance companies.

N. C. Approves Discount Plan for Large Liability Risks

RALEIGH — North Carolina has become the third state to approve the premium discount plan for risks of more than $1,000 a year in premiums on auto and general liability lines. The first two states were New York and New Hampshire.

Commissioner Cheek is approving the filing as made by National Bureau of Casualty Underwriters and North Carolina Auto Rate Administrative Office. No one opposed the plan at a public hearing.

Combination Auto-Personal Liability Policy Expected

Introduction of a combination automobile and comprehensive personal liability policy by National Bureau of Casualty Underwriters is expected in April or May. It is believed that there will be no major departures from the coverage now available under separate contracts, but agents will have a "package" to sell as a single unit. A similar combination farmers comprehensive personal liability and automobile liability policy is expected at the same time. A number of non-bureau casualty carriers have been offering both types of combination policies.

400 at Wis. Farm Rally

More than 400 turned out for the sales meeting of the Wisconsin Farm Bureau Companies at Madison, these being Rural Mutual Casualty, Rural Mutual Fire and Rural Security Life. Presiding was the president, Curtis Hatch. James C. Green reported as secretary-treasurer and L. F. Roherty, director of insurance, gave a talk.

D. L. Achenbach, manager of Country Mutual Fire of Chicago, of the Illinois Agriculture Assn. setup, spoke on "Fire Insurance Service For Today and the Future" and R. B. Hornbeck, general agent in La Salle county, Ill., for Country Life of Chicago, spoke on "The Easy Road to Security."

At the banquet the main speaker was Dr. George E. Davis, director of student affairs at Purdue.

Assets of Rural Mutual Casualty are now $1,386,093, surplus is $282,833. Rural Mutual Fire has assets of $273,-659 and surplus of $151,831.

SEC Filing Made for All American Casualty

All-American Casualty of Chicago has filed with SEC registration and statement covering 1 million shares of $1 par value common stock to be offered at $2. The company was incorporated under Illinois law. Commission of 10 cents a share is to be paid to M. A. Kern, president, for his services. He was president of Alliance Life, recently reinsured in Republic National Life.

Mr. Kern hopes to be able to start selling the stock by April 1. He has established hearquarters at 30 East Adams street, Chicago. For the first year or so, he thinks that the company will concentrate in the A. & H. field although it is set up as a multiple line company. L. D. Kern, his brother, who is now in Florida, will be vice-president and probably will become an active factor in the business. He had been ill for some time, but is now in good shape.

L. M. Dunathan, secretary Shelby Mutual Casualty, and Mrs. Dunathan are receiving congratulations on the arrival of their fifth son and sixth child.

Western Surety Exhibits Big Gains

Assets of Western Surety as of Dec. 31 were $3,733,722, an increase of nearly $500,000. The company ended the year with an unearned premium reserve of $1,064,670 and a loss reserve of $634,-426. Net surplus is $657,051.

Cauital was increased by $250,000 during 1949, and the surplus to policyholders of $1,707,051 is an increase of $110,-000.

Moore New Vice-President of Wolverine Auto Sales

Harold D. Moore, who has been in charge of the automobile sales department of Wolverine, has been elected a vice-president in charge of automobile sales. He has been with the company for 17 years and worked in the various department. He served a term in the southwestern Michigan field until 1948 when he went to the home office.

Standard Accident Names Kingman at Grand Rapids

C. B. Kingman has been named manager at Grand Rapids for Standard Accident. He has been field representative in that territory since joining Standard in 1945.

The Grand Rapids office will operate under the supervision of Detroit. Robert L. Jackson, is bonding field representative, and Thomas Finucan is claim representative. Darwin Allen is underwriter.

Bar Insurance Section Council Meets at Chicago

Some 38 officers, council members and committee chairman were present at a one day meeting of the Council of the insurance section of the American Bar Assn. at the Edgewater Beach hotel in Chicago. The session was devoted chiefly to plans for the annual meeting of the section during the A.B.A. convention next September in Washington. From the point of attendance, the council meeting was the best that has been held. The roster was complete except for two committee heads.

Ralph J. Kastner, American Life Convention, secretary of the section, reported that the dues paying membership has reached 3700. John F. Handy, general counsel of Massachusetts Mutual Life, section chairman, presided.

Covington, Tenn., Inspected

Tennessee Fire Prevention Assn. inspected Covington, Feb. 23. D. S. Jamieson was chairman of the local agents' committee and K. T. Crawford, American, was chairman for the association.

Paul Eldridge, Niagara, was in charge of the church inspections and Robert Taylor, Tennessee Inspection Bureau, of the school inspections. Charles H. Graff, Fidelity & Guaranty, spoke to the student body and R. A. Peterson, Great American, at the luncheon.

Brooklyn Agents' Slate

The Brooklyn Insurance Agents Assn. has nominated William F. Stanz for president; John F. Seekamp vice-president; Milton Murphy treasurer, and Harold Kramer secretary. The group has gone on record favoring legislation to establish commision control in New York state.

Reynolds to Ocean Accident

Ocean Accident has appointed Robert Reynolds as resident manager at Pittsburgh to succeed Fred W. Neuner, who is being transferred.

Mr. Reynolds is a graduate of Pennsylvania State Teachers. He has been a special agent for Ocean Accident in the Pittsburgh territory.

Am. Re. Group Shows Good Results

American Re-Insurance and American Reserve that are now bracketed in a reinsurance group, had net premiums last year of $16,902,606 and the earned premiums were $14,444,562.

The loss ratio on an earned and incurred basis was 57, while the commissions and expense ratio was 41, giving a combined ratio of 98 for the group. The preceding year there was a combined ratio of 102.2%.

The Assets of American Re-Insurance now total $36,971,913, which is an increase of about $4,400,000. Capital was $4 million and net surplus $10,-020,344, which is higher by $1,409,428. Based on market values, surplus to policyholders would be $14,423,147.

Assets of American Reserve were $10,411,224, an increase of $1,866,842. Capital is $1 million, voluntary reserve $200,000 and net surplus $1,710,011. Based on market values surplus to policyholders would be $2,958,029.

Describes Reluctance to Discuss Payment Methods As Collection Woe Service

The insurance business is the only business today where sales are made without the method of payment being discussed or without installment payments being provided for, Willis Van Pelt, manager of the premium financing department of South East National Bank of Chicago, told producers of the Rockwood Co. agency in Chicago. Speaking before the semi-monthly meeting of the Rockwood Producers Club, Mr. Van Pelt emphasized that insurance is a "need" and not a "want" and therefore has a hard enough time competing with wanted products without yielding to these other products and services the advantage of being payable in installments.

The speaker termed the collection problem and the attendant problem of flat cancellations the biggest scourges of the insurance producer. He feels that these difficulties could be largely eliminated if each producer established a definite understanding with each insured as to when and how premiums will be paid. Whether the insured elects to pay by cash, installment financing through a third party or on the customary open account, the producer should set a definite payment pattern, Mr. Van Pelt maintained.

The speaker brought out that in every other type of selling the salesman will guide the interview, so that he and the prospect are talking about how the commodity will be paid for rather than whether the man will buy it or not. The salesman is thus able to gain an invaluable psychological advantage by assuming the position that the prospect is already sold.

Kansas Mutual Meet Draws 150

The joint meeting at Topeka of the Kansas 1752 Club and the Kansas Assn. of Mutual Insurance Agents drew 150. Highlights were the talks by Commissioner Sullivan of Kansas, who discussed the agents' qualification laws and Russell Wise, state fire actuary, who presented the history of insurance regulations. The other speeches were devoted to the exposition of types of coverages. Similar meetings are planned at Garden City and at Oakley the last week in March.

Engle T. Pero, formerly of the Nusbaum & Pero agency, has opened a new agency at **Elkhart, Ind.**

Edward E. Conroy, executive vice-president of Security Bureau, Inc., has resigned because of poor health. The bureau operates in New York for the suppression of port theft and pilferage. It is partially supported by marine insurers. It has been in operation since 1947. Mr. Conroy was wartime head of the FBI in New York City.

Begin to Move on TDB in New York

(CONTINUED FROM PAGE 21)

be included and these are all collected in a required provisions condition.

The law, while imposing obligations upon the employe as to filing notice and proof of disability, contains no requirement that such notice and proof shall be furnished to insurer. Notice of disability condition places on the policyholder the contractual obligation to furnish notice to insurer and also, if a defense clause is used, to forward to the company any summons or process that may be served in connection with any suit or other proceeding.

Form B for A. & H. Business

Form B also is designed to meet minimum benefit requirements. It is for use where the policyholder is the employer or is one of several employers listed in the policy. Companies writing group insurance have developed special forms of policies for other types of policyholders and will presumably follow the procedures heretofore developed.

Many companies may wish to use an endorsement or rider which will increase the amount of the weekly benefit, statutory duration of benefit payments or change or eliminate certain restrictions or limitations of the law. Advisory form H accomplishes such variations and is appropriate for use on any policy form providing only the minimum benefits.

In forms A and B there is a special provision relating to employe contributions. Under the law employe contributions are impressed with a trust and the statute provides no profit shall be derived by any employer. This is to protect the contributions made by employes so they will be used only for providing benefits under the law and so that any contributions of employes in excess of those required to provide coverage shall inure to their benefit. The "special provision relating to employe contributions" contained in forms A and B meets this need. Attention of all insurers is directed to the fact that this special provision must be included in every policy, except where the entire cost of insurance is borne by employer, in which case a clause is to be inserted to that effect.

As to how supplemental benefits such as hospital expense, medical expense, Blue Cross, etc., may be written on groups covering four or more but less than 25 lives, the department states that insurers may write supplemental coverages on groups of four or more but less than 25 lives and sole proprietors and co-partners may be covered with such groups.

To avoid time consuming delays, carriers are requested to refrain from inquiring as to the status of approval after forms have been submitted. As soon as a policy form has been examined and found acceptable, companies will be promptly notified.

Shelby Mutual Holds Ohio Meetings

Shelby Mutual Casualty concluded a two weeks' series of field meetings with a session in Cincinnati last week. P. H. Dubuc, agency secretary, E. P. Curry, assistant secretary in charge of the automobile department and D. L. Wentz, manager casualty department, were the team which conducted sessions at Lima, Findlay, Cleveland, Akron, Youngstown, Columbus, Dayton and Cincinnati. G. S. Dennis, executive vice-president, and W. G. Hardie, Ohio field representative, also attended the Cincinnati meeting.

Subjects discussed were the new garage liability policy, automobile underwriting, comprehensive automobile liability, non-ownership liability, residence burglary and combination residence coverages. Mr. Dubuc will be in charge of a similar series in New England in April.

Carson Reviews Fire Legal Liability

(CONTINUED FROM PAGE 21)

to negligence of third parties. Also, the premium rate for a building is the same, whether it is occupied by the owner or by somebody else.

Fire companies generally have not in the past been active subrogators, feeling that it was not in the interests of good public relations. However, in recent years there has been some change in this policy. Possibly, however, this may have been but transitory and influenced by two factors. First, the fire loss experience deteriorated at a time when there were other strains on the surplus of carriers. Secondly, due to the rapid rise in values which has been a feature of the past several years, there was probably a greater degree of under-insurance and the insured had a greater financial interest in fire losses because of self-insurance under the coinsurance clause. Thus it is reported Mr. Carson said, that one company-owned adjustment organization in the middlewest has had fees paid attorneys for subrogation cases in connection with fire losses grow from $91,000 in 1943 to in excess of $400,000 in 1949. The rule books in the middlewestern states have included the rule that "No clause which grants permission to waive the insured's rights of recovery after the occurrence of a loss shall be used."

Falls to Fire Companies

The conclusion to be drawn is, Mr. Carson observed, that as respects property in the care, custody or control, it might be well if the needed protection were developed as an adjunct to fire insurance. This conclusion has also to support it the aspect of public policy.

Why is it, for instance, that underwriters are chary of covering damage to the insured's rented premises by his own automobile? This could be tantamount to placing a premium on carelessness. We should also not overlook the possibilities of collusion between the claimant and the defendant.

In third party insurance in general, there is seldom any particular community of interest between the claimant and defendant. The allegations of negligence are frequently supported or supportable by testimony of disinterested witnesses. Collusion is not, therefore, greatly to be apprehended. Where there is a community of interest however, and where the salient facts bearing upon negligence are substantially within the knowledge of one or other of the interested parties, trouble is likely to result which may not be in the public interest. Friendly suits have their proper place, but it is a restricted one. Right is more likely to be done when there are real issues strongly contested by either side. Coalition litigants make for poor decisions in the administration of justice, as coalition parties make for poor government in the political field.

Needs Industry Attention

When speaking of this type of coverage as being an adjunct to fire insurance, Mr. Carson remarked that he did not mean that casualty underwriters should in any way wash their hands of it. Rather, the whole subject of legal liability for fire damage is one of the first which should receive attention in the scheme of multiple line underwriting. The problems involved, by their very essence, cut across traditional sectional lines.

For the past generation or more, all-loss insurance has been developed in the property insurance field by inland marine and automobile underwriters. Though the premiums in these departments are now in the aggregate extensive, the practice of all-loss underwriting must still be designated as being largely in its infancy. It is almost untried in the real property field. If there is one thing more than another which would serve to delay this development, it would be a rash excursion by liability underwriters by themselves into what is and should be a field to be explored in conjunction with those skilled in the principles of fire rating and engineering and the classification of property perils. Casualty underwriters take pride in the fact that their liability protection has developed on an all-loss basis. They rather feel it would be a retrograde stop for them to begin to employ the practice of specifying perils.

Change in Attitude

Hitherto, there was perhaps no particular urge for either side to exercise its powers because different companies were involved, or even in the case of group operations different sets of executives. This situation has changed or is changing rapidly.

The problem should be approached jointly by casualty and property underwriters. A start has already been made Mr. Carson said, and fire companies, through the uniform forms committee of Insurance Executives Assn. and Eastern Underwriters Assn. have made recommendations to the regional rating associations suggesting that:

(a) Coverage be limited to the perils of fire and those in the extended coverage endorsement;

(b) Coverage be limited to property in the care, custody or control of the insured;

(c) Coverage be limited to liability "imposed upon the insured by law" with respect to such property, it being the intention not to include contractual liability, and

(d) The present practice of granting "waiver of subrogation" be continued (meaning that a charge is to be made if the clause is taken from the policy).

A definite table of rates has been formulated to meet various underwriting exposures.

National Bureau Rates

The National Bureau of Casualty Underwriters has studied legal liability insurance for damage caused by fire to real property, particularly in connection with O.L.&T. liability risks, and has established for the industry a set of guide rates subject to specific application based on the degree of control by the insured in the property involved. The rates for full occupancy of the building by the insured are between 25% and 50% of the 80% coinsurance building fire rate, and are applied to the total limit of liability afforded by the policy. Where the insured has only partial occupancy, the property damage premium table in the O.L.&T. manual is substituted for the fire building rate. The guide, under these conditions, approximates 50% of the standard property damage rate.

The problem is not one easily to be solved and it is accentuated by the fact that the coverage is bought rather than sold. It is in the main only those risks which are particularly conscious of special hazards that seek it. These are not only jumbo lines from the point of view of size but also too frequently jumbo from the point of view of likelihood of catastrophe loss.

To an extent, the company end of the industry is open to criticism because it has done little, if anything, to offer protection on such an attractive basis as would lead to general purchase by insured at large. The present status is somewhat similar to what used to obtain with respect to windstorm a generation or more ago. It was written only in exposed territories and then only with great show of reluctance. This situation has not entirely been remedied, but extended coverage is so universal that the situation has ceased considerably. The companies have countrywide developed a sizable volume of premium of an overall profitable character. They are, therefore, better able to handle the more hazardous lines than they were when the

only offerings they saw were from hurricane territories.

Mr. Carson stated that while he had emphasized the catastrophe element because of the large sums which may be involved in legal liability fire losses, an adequate cushion of premiums must be built up in any portfolio of business providing for the coverage of the legal liability fire damage risk. One way to do this without it being too much of a burden on the insurance-buying public would be for the insurance to be subject to quite a substantial deductible. This would help to make the cost attractive to a wide range of risks. It would also eliminate nuisance claims and substantially duplication of premium charges which results where subrogation insurance is purchased in addition to direct insurance.

Discusses P.D. Liability

The question of high limits for property damage liability has gotten much attention as fire legal liability has become a talked about line. Mr. Carson noted that up to this time, the limits of liability for property damage insurance which have been purchased have, on the average, been low. There is also but infrequent demand for anything above basic limits in the automobile field. As respects the average risk, apparently all that producers can sell or buyers will purchase is property damage liability insurance for small claims.

In the early days of liability insurance the risks of damage to property due to fire and explosion were excluded. Apart from this exclusion, which is no longer standard, the property damage coverage granted by casualty companies has been on an all-loss basis using this term to distinguish it from insurance on a specified perils form. Property damage also includes protection for the costs of defense in addition to the applicable limits of liability. This can result in very sizable obligations for litigation and cost of defense generally in connection with a catastrophe, even though the limits of liability for damages may be small.

The property damage insuring agreement applies to surrounding property of others. Therefore, if this coverage at sufficient limits is bought or obtainable, adequate protection can be secured. If more of this coverage were purchased, higher limits would be available with less difficulty. So many times, however, high limits are only sought where there is special apprehension by the insured of the possibility of catastrophe occurrences.

Up to this point, the primary or direct policies have been underwritten almost entirely on a low limits basis, and this has been reflected in the reinsurance practices. The primary underwriters have not seen a necessity for reinsurance for limits as high as those they seek for bodily injury. Reinsurers at the same time have not been ready to give high limits for purely precautionary purposes because of the catastrophe element to be envisaged when property damage liability exposures are bought in substantial sums.

Reinsurance in the liability insurance field is almost exclusively on an excess of loss basis. This is because liability claims experience has involved frequency rather than severity. This experience has demonstrated that by far the greatest proportion of the premium is applicable to "normal losses." However, with classifications which are inherently subject to large losses, the excess limits factors need to be boosted and hence the provision for higher excess limits factors applicable to certain more hazardous classifications.

In dealing with risks which involve particular susceptibility to catastrophe—and fire and explosion are the perils most likely to bring these about—the question arises as to whether excess of loss insurance is at all appropriate.

Taking as an example a city gas storage installation on which there is property damage liability insurance for a limit of $1,000,000, Mr. Carson asked of what peril underwriters are apprehensive? Explosion. Can there be a "little" explosion as against a "big" one? No. What frequency is to be expected? One loss in a lifetime, possibly none. If the installation lets go, what is the extent of the loss likely to be? Total. If, therefore, the primary insurer carries the first $100,000 of loss, what would be a reasonable premium to pay for the $900,000 excess over the first $100,000? The correct answers is, Mr. Carson suggested nine-tenths of the direct writer's premium.

Dr. Hawley Heads Health Service, Inc.

Health Service, Inc., the organization set up by Blue Cross to supplement benefits provided by individual plans, has elected officers preparatory to beginning operations.

Dr. Paul R. Hawley, chief executive officer of Blue Cross-Blue Shield commissions, is the president. Other officers are: Vice-president, George A. Newbury, Buffalo; treasurer, Abraham Oseroff, Pittsburgh; secretary, Richard M. Jones, Chicago; and assistant secretary-treasurer, Antone G. Singsen, Chicago. Robert N. Rose, New York, is executive vice-president. All of the officers are officials of local Blue Cross plans.

Named to the executive committee were: Dr. Hawley, Thomas S. Gates, Jr., Philadelphia; William S. McNary, Detroit; David T. Beals, Kansas City, and Stanley Resor, New York.

Health Service was licensed last November by the Illinois department with $200,000 capital and paid in surplus of $282,000. Headquarters will be at Chicago. It will offer uniform enrollment, benefits, and administrative regulations for employes and dependents of firms operating in the jurisdictions of the several Blue Cross plans.

FTC Explains Purpose of Inquiry to A. & H. Insurers

WASHINGTON — Insurance observers interpret THE NATIONAL UNDERWRITER report that all A. & H. insurers have been asked by federal trade commission to subscribe to its mail order insurance trade practice rules as indicative of FTC desire to exercise jurisdiction over all accident and health.

However, some FTC officials say they do not expect A. & H. companies outside the mail order field to subscribe to the rules.

Henry Miller, chief FTC trade practice conference division, said it is not the intention to get all such companies to subscribe to the rules, and that FTC has received a few letters from companies saying they do no mail order business.

Miller indicated FTC had sent copies of the mail order rules, together with a return card to be filled out stating the recipient will abide by the rules, to all companies on the best list the commision could obtain. FTC officials said, however, they know of no list of companies by types of business they do.

Some A. & H. companies do both agency and mail order business, Mr. Miller said, and possibly some companies hay have gotten the FTC inquiry that are outside the mail order rules.

Surety Executives at L. A.

E. M. Smith, vice-president in charge of the contract bond department of Fidelity & Deposit; W. H. Hansmann, vice-president of that company at Chicago, and Rufus Harvey, vice-president National Surety in charge of the southwest, were recent Los Angeles visitors.

New Competitive Threat Is Weighed

(CONTINUED ON PAGE 4)

lower than those developed through stock company procedure and the competitors are also applying deductibles.

In the call for the meeting it was pointed out that these classes fall outside the classical sphere of F.I.A. acceptances because specialized inspection and engineering services may be of relatively minor importance and often physical improvement of the risk will not be possible. Frequently the properties may have to be rated and accepted on the basis of existing conditions.

There was such substantial disagreement both in committee and among the total membership when the F.I.A. meeting was held, that it was obvious the proposal to expand Factory Insurance Assn. operations will get nowhere. The authority to write the additional business suggested always has been contained in the F.I.A. charter but never exercised.

One effect of the proposal would be, it was pointed out, to throw some large lines now written by individual company members of F.I.A. into the pool operation. Naturally executives of individual companies are opposed to that and do not believe F.I.A. offers better engineering or other service to those risks than the original companies.

True F.I.A. has lost a few big ones, but it was brought out that in the natural course of events competition will take some of the business away but conversely F.I.A. will get some business from its competition. One lesson in the minds of some company executives is the experience with multiple location risk business where at the start there was a limit of 15 to 20 locations which got down to five and even down to one.

Also in the call, it was stated that F.I.A. is confronted with competitive situations for minor units of an account by competition from London and much stock company business seems to be going overseas. These accounts often have unusual problems and they require the services of an especially trained underwriter, one who is conversant with reinsurance matters.

The notice of the meeting stated that new rating laws and restrictive rules and procedures by rating organizations have increased the time, work load and expense of F.I.A. particularly on risks located in several jurisdictions. Often F.I.A. must wait weeks and sometimes months for rating machinery to function, whereas organized competitors with their independent filings can name their rate propositions promptly and this gives them a great advantage. Action should be taken, the notice stated, to meet this situation, possibly within the framework of F.I.A. and possibly without.

N. British Central Field Men in Rally

CINCINNATI—Field men of North British central department, which includes Tennessee, Kentucky, Indiana, Ohio and Wisconsin, are meeting at the Netherland Plaza hotel here this week. H. V. Tisdale, secretary in charge of the central department, is directing the meeting. The program includes both underwriting and sales features.

H. V. Tisdale

Assistant U. S. Manager W. L. Nolen is on hand from New York, along with A. E. Lehman, secretary automobile and inland marine department, H. W. Casler, assistant secretary inland marine department, W. J. Traynor, assistant secretary advertising department, G. L. Scott, general loss adjuster and secretary loss department, and H. B. Standen, secretary brokerage service and general cover department, as well as J. H. Roberts, Columbus, superintendent central service office. Following the sound film "How to Make Your Sales Presentation Stay Presented" Wednesday afternoon, J. C. O'Connor, editor "Fire, Casualty & Surety Bulletins" and associate editor THE NATIONAL UNDERWRITER, spoke on "There's a Way to Get New Premiums."

Several Hundred at Ind. Farm Bureau Open House

Several hundred guests and well-wishers, including officials of the Indiana and Texas departments, attended the open house of the Indiana Farm Bureau insurance companies, held to display their new offices in Indianapolis. Aiding in the dedication of the building was Gov. Schricker.

This is the third time in three years that it has been necessary for the company to move to a new building to find room for its expanding operations. Of the new building's 12 floors, the company will start out occupying five. Additional floors are expected to be occupied in the future.

Hassil E. Schenck, president of the Hoosier Farm Bureau Life and the Farm Bureau Mutual of Indiana, and J. J. Rosebrough, general manager of both companies, presided over the open house.

Women's Meeting Slated

The annual meeting of region 2 of National Assn. of Insurance Women is scheduled for the Noel hotel, Nashville, March 17-19. It starts off the evening of March 17 with a cocktail party. The next day there will be a luncheon, dinner and a trip to the National Life & Accident's radio feature "Grand Ole Opry." There will be a "brunch" the next day followed by sightseeing trip to the Hermitage. Presiding will be Miss Edna Mae Gay of Nashville, who is director of region 2.

Discuss Bonding of U. S. Employes

(CONTINUED FROM PAGE 21)

ing been referred to the Senate committee on post office, but he discussed it anyhow.

Hoey said that the other bills "may require extensive hearing to assemble evidence on all sides of the controversial issues. "The Downey bill," he said, "reflects an opinion that federal employes should not be asked to pay annual premiums on the bonds which they must purchase from private companies." On the other hand, the Holland and McCarran bills would eliminate the present large excess of total annual premiums paid by government employes over the losses reimbursed to the government; for this reason the latter two bills propose a government trust fund so that only as much must be paid in as must be paid out, an idea which the Hoover commission has urged be given careful study.

Question of Overhead

"With respect to the latter two proposals the fidelity insurance companies insist that criticism of their rates as being too high gives inadequate consideration to their overhead and other costs. They undertook some months ago to work out a less expensive blanket fidelity bond but have as yet made no public announcement on this score. It is estimated that total premiums on these bonds have averaged $1,234,300 annually over the past 18 years, with average losses averaging $225,881 per annum."

Of the 558,269 fidelity bonds in force throughout the government, about 500,000 occur in the Post Office Department, Hoey said. The remaining 58,269 policies are of the following types, arranged in order of size: Collectors of revenue, subsistence bonds, certifying officers, army officials, navy and marine corps officials, disbursing officers and agent cashiers, veterans administration officials, federal housing administration officials, and other employes.

Reporting from A.C.S.C., J. Dewey Dorsett indicated the program outlined in a memorandum from it would result in benefit to the government. Present procedure, costly to the government, would be substantially reduced.

A "modern" plan was proposed providing for coverage of all employes of a particular government unit under blanket bonds, or, alternatively, for coverage of all occupants of positions selected for bonding by a particular government unit, under position schedule bonds.

Reduce Number of Bonds

The program proposed, it was indicated, would reduce the number of bonds now required of 575,000 employes, inclusive of about 500,000 temporary employes in the postal service in rush seasons, to about 85,000, including coverage for other temporary employes.

Under proposed blanket bonds or position schedule bonds, the plan of bonding supervisory detail for the government would be reduced to a minimum. However, it was pointed out, legislation would be necessary to effect these reforms.

For Surety Assn., new rating plans were submitted together with exhibits relative to position schedule, blanket position, postal transportation, internal revenue, and other types of bonds.

The rating plans provide if continuation premiums are fully paid in advance for any period of two years or more, a discount of 10% shall be allowed on the second and subsequent years' continuation of premiums.

The rating plan applicable to the position schedule bond applies to additional indemnity required in connection with blanket position bonds.

It is proposed by Surety Assn. to write blanket position bond forms in a minimum amount of $2,500 and in multiples of $2,500 up to $100,000. Basic premiums would be subject to increases for larger bonds and decreases for certain unit classifications.

Surety Assn. estimated these rating plans for blanket position bonds would result in over-all rate reduction, which might range from 20% upwards.

McCarran admitted a government bonding fund plan would take business away from private industry, but contended that premiums are too high and that "it is not unreasonable" that they should be brought down to an "economic basis." His bill would "step on the toes of some gentlemen" who, he said, are "making large profits." There is no reason why Congress should refuse to act, however, he declared.

Canadian Plan Studied

A somewhat similar plan has been in operation in Canada and has proved satisfactory, McCarran said. He would make a small appropriation to start a bonding fund controlled by the government. In Canada, the speaker asserted, the fund has become self-supporting in a few years.

He opposed payment of premiums by government for government personnel. The Treasury favors his bill in preference to the present system, McCarran said. He is not wedded to the provisions of his own bill, but hoped the committee would weigh objections and work out a bill. He concluded with a plea for some legislation "to lift the burden of excessive premiums on surety bonds from among those government officials and employes who must procure bonds, at excessive cost."

Senator Johnston said it costs some 500,000 temporary Christmas employes of the postal service $334,000 to get insurance. Postal employes paid $1,311,000 to be insured last year, he added,

and the P.O. Department collected less than $25,000 on their bonds.

Something should be done to let the employes be insured through the government and save a lot of money, Johnston said. If an employe must pay to be insured against loss on his account, that should be taken into consideration in making up employes' salaries.

South Carolina, he asserted, has saved much money by establishing a sinking fund to take care of schools and public buildings, compared to what insurance of them used to cost the state. "We find we can insure for about 25% of what we used to pay the companies," Johnston declared, and forecast the result would be similar in other branches of government. His bill was referred to another subcommittee for study.

Hoey brought out there are about 1,035,000 postal employes. Senator Benton, Connecticut, a committee member, who said the bonding bills have not been discussed by him with insurance companies, "although some of them are in Hartford," suggested that the figures represent an average cost of about $1 per postal employe. Johnston replied it is a "nuisance" to provide many bonds in small amounts.

In reply to questions by Senator Schoeppel, Kansas, another committeeman, Johnston submitted data showing bonds for government personnel range from $500 to $100,000 in amount, and premiums for postmasters' bonds range from $5 to $100. Benton inquired whether figures for one year fairly represented those for a 10-year period.

Cites Loss Record

Senator Holland spoke at considerable length in support of his bill. He said 558,269 federal employes are required to furnish bonds on which gross premiums paid, 1930 to 1947, inclusive, totaled $22,217,000, in round numbers, while the average loss was only $225,881 per year. During the years 1942-47, inclusive, Holland said, bond premiums paid by government employes were $10,001,000, or an average of $1,656,000 a year, while losses totaled only $1,365,000, or an average of $227,000 annually. Average losses included claim and other expense of the companies. Loss ratio was 13.6.

After explaining his bill, Holland said he was "not so much concerned with provisions of this bill or any other bill, but I am greatly concerned with bringing to an end a policy of government at variance with sound practice in private business." He charged that private **bonding of government employes** has been "entirely too lucrative" business.

Even if premiums were lowered, Holland said, he would "still favor correction of a condition under which government employes have to pay premiums." The general accounting office has said this "results in making bonds too low," he stated. It also results in feeling among employes required to furnish bonds that they are being discriminated against.

In Florida, Holland said, a fund has been set up and the state has saved "an immense amount of money." He cited figures relating to the government losses in shipment act under which a revolving fund was set up in the Treasury to cover money, securities and other valuable articles in transportation. In 15 years, he said, $3½ million premiums had been paid by government, while companies paid only $200,000 losses.

Profit Is Illusory

Benton stated he did not think "this system is so tremendously profitable to the companies." It cost the Treasury $237,000 to handle it. The companies have heavy expenses for branch offices, salesmen's commissions, etc. Maybe Holland's conclusions "are correct on what the government should do," Benton suggested, but it does not necessarily follow that its continuation would result in large companies' profits. "It is not the profit a company makes that makes for reduction in price," Benton commented, but indicated it was prospects for new business and more business. He opined the present business with government is "costly and troublesome to handle."

Holland said the general accounting office had indicated the companies "realize there is need for reduction," and the budget bureau stated the companies would present plans for considerable reduction in premiums.

In reply to Schoeppel's question as to estimated cost of the Holland fund plan, the Florida Senator said the Treasury estimated an annual appropriation of $250,000 would cover net losses and administrative expenses.

"If you did not have to collect small sums from 1 million people the cost would be enormously reduced," commented Benton.

Hoey put into the record a report from the legislative reference bureau showing government officials and employes required to be bonded and amounts of their bonds.

William L. Ellis, assistant controller general, gave the background of the government surety bonding program controversy, reviewed reports, conferences, etc., on the subject, and indicated it had been felt by his agency that since the companies are in business they should be given opportunity to present a study and plan. Their report had only just been received and he wanted opportunity to study it before endorsing any of the pending bills.

Assistant General Counsel Carlett of the Treasury endorsed the Holland bill. Some of the armed forces' representatives were more favorable toward the Downey bill, providing for government payment of premiums. However, Col. Leighton Smith, USA, preferred private companies handling the business, on account of possibility of litigation. Pierson Brown spoke for the navy, Charles Felton and Col. Fletcher for the air force.

William Armstrong of the budget bureau said it felt employes should be relieved of payment of premiums, which he said are out of line. John Cooper, Agricultural Department finance division, also recommended action to relieve employes of this burden.

Present Plan Outmoded

Assn. of Casualty & Surety Companies in its presentation said the present legal or regulatory requirement of individual bonds is outmoded and unduly expensive. Existing laws and regulations need to be changed so, as among other things, to authorize government departments to pay the bond premiums. Only a few governmental units such as those under the jurisdiction of the Post Office department and under supervision of collector of internal revenue, now bond any large number of their total personnel. Most bond only a small portion.

There is recommended a blanket position bond designed for governmental units which desire to bond all employes, and a position schedule bond where protection is desired only on employes occupying positions selected for bonding.

Continue Postmaster Bond

It is recommended that the individual qualifying bond required from each postmaster should be continued; that P.O. employes blanket position bond should be used where all employes are to be covered and P.O. employes position schedule bond for use where only some of the employes are to be covered; also postal transportation service employes blanket position bond covering all field service personnel of the postal transportation service. For office of the chief inspector, there would be a postal inspector blanket position bond; for administrative officers and employes, a postmaster general's blanket position bond or government employes position schedule bond.

For the Treausry Department, the individual qualifying bond required from each district collector should be continued, the association states. For employes under the supervision and control of a district collector, either I. R. employes blanket position bond or government employes position schedule bond. For other Treasury Department units, government employes position schedule bond should be used.

For other governmental departments, it is suggested that government employes position schedule bond should be used. However, if any governmental unit desires to bond all employes, a blanket position bond can be provided.

The proposed bond forms give coverage against loss resulting from failure of any bonded employe to perform faithfully his duties or to account properly for all moneys and property received by virtue of his employment during the period of the bond. The blanket position bond provides a uniform amount of coverage on each employe, the amount to be selected by the governmental unit. This may be in the minimum penalty of $2,500 or any multiple thereof up to $100,000. If loss is caused by one or more identifiable employes acting independently or in collusion, recovery up to the amount of the bond may be had on account of each participating employe. If it is not possible to identify the specific employe recovery is limited to the amount of the bond. Additional coverage on employes occupying specified positions may be had through use of an additional indemnity endorsement.

Each bond is written for an indefinite period and continues in force until terminated by the government or the surety. The liability for successive premium periods is not cumulative.

Each bond specifies a period of three years after termination of the bond in its entirety for the bringing of action against the surety.

1,000th AGENT GRADUATES AT SCHOOL

Travelers home office casualty school graduated its one thousandth agent recently. He was Benjamin F. Hendricks, Jr., of East Hartford. He is shown above receiving his diploma from John H. Eglof, supervisor agency field service and director of the casualty school while Vice-president Harold A. McKay looks on.

DIVIDEND INCREASED

Springfield Has Fine Showing

Springfield Fire & Marine has increased its quarterly dividend rate from 47½ cents to 50 cents a share. The first payment on this new basis is to be made April 1 to stock of record March 10. This increased dividend is at the annual rate of $2 a share compared with the former rate of $1.90. President W. A. Hebert states the directors hope to maintain the new annual rate provided future circumstances permit. He remarked that Springfield began payment of dividends on its stock in 1852 and with the single exception of 1866 has paid dividends in each year since.

Net premiums written last year of all the Springfield group companies totaled $42,993,552 which was a decrease of $430,705 or .9%. The premiums earned were $41,339,038; increase $1,654,514, or 3.9%; losses incurred were $19,939,960 as against $20,626,370 and other underwriting expenses incurred were $17,-230,662, which were about $400,000 lower. The consolidated statutory underwriting gain was $4,168,416 as against $510,076. Net income from investments was $2,011,692 as compared with $1,-794,411. The federal income tax was $2,090,241 and the net gain from operations after federal income tax was $1,-846,543 as against a loss of $709,250 the previous year. Consolidated surplus including $1 million of voluntary reserve was $22,554,690, which was an increase of $4,752,537, or 26.7%. Consolidated assets were $84,592,417, an increase of $8,414,887 or 11%.

Ia. Mutual Agents to Meet at Des Moines April 17-18

The annual convention of Iowa Assn. of Mutual Insurance Agents will be held at Des Moines, April 17-18.

Speakers include Cory Hunter, president National association, Moravia, N. Y.; Philip Baldwin, executive secretary National association, Washington; Glen Hurd, state president; George Mills, Mury Crowley and Richard Nelson, all of the Des Moines Register-Tribune; and Commissioner Alexander. Others on the program are Herbert Plamback, Harry J. Figgee, William Cushman, Ray Harrison and Philip Cless.

Reynolds Named at Pittsburgh for Ocean

Ocean Accident has named Robert Reynolds resident manager at Pittsburgh succeeding F. W. Neuner who is to be assigned as manager to another branch. Mr. Reynolds previously was special agent of the company there.

Change N. J. Midyear Dates

The midyear meeting of New Jersey Assn. of Insurance Agents has been changed from April 21 to April 14 at Hotel Hildebrecht, Trenton. The officers and executive committee will meet the preceding day.

Ill. Department Changes

Shreve C. Badger has been appointed head of the tax division of the Illinois insurance department as well as chief of the securities division.

James U. Cullen, former head of the tax division, is named supervisor of the policy examination branch.

Takes Over Carlyle Appraisal

General Appraisal Co. has taken over ownership and management of the Richard F. Carlyle Co. The Carlyle Co. will continue at its present location in the Oviatt building, Los Angeles. Operation of the Los Angeles office will be under the direction of Ronald F. Stephens, who was an appraiser with the Carlyle firm.

Incentive Plan Is Up

Stockholders of American Automobile at the annual meeting March 21 will vote on a management incentive compensation plan for executive and supervisory employes which has already been approved by the directors.

New U.S.F.&G. Managers

U.S.F. & G. has named Arthur E. Colberg, formerly assistant manager of the downtown New York City office, as manager at Buffalo. Mark T. Adams, associate manager of the Brooklyn office, succeeds Mr. Colberg.

N. Y. Course on Casualty Manuals

A series of lectures on "Casualty Manuals—Rating," designed to help producers interested and those who wish to become policy checkers and raters, will be given by the Insurance Society of New York, commencing March 14.

Enter Burglary, Glass Field

North America and Philadelphia F. & M. are entering burglary and plate glass fields. This was made possible by multiple line underwriting authority in all states except Arizona, Idaho, Nebraska, Kansas, Nevada, Ohio and South Dakota.

Ohio Agents Meet on Laws

COLUMBUS—The legislative committee of Ohio Assn. of Insurance Agents, of which Arthur M. O'Connell, Cincinnati, is chairman, will meet here March 7 for a discussion of problems and strategy during the coming year.

NEWS BRIEFS

The Ralph L. Martin Agency, Milwaukee, has moved from 611 North Broadway to 4524 Oakland Avenue. He is former vice-president of Wisconsin Assn. of Insurance Agents and former president of Milwaukee Board of Fire Underwriters. His son James R. is an associate in the agency.

The **Dunn** agency, Nickerson, Kan., held open house for some 300 friends and customers in celebration of its 30th anniversary. Founded in 1920 by the late C. I. Dunn, it is now operated by his son John and his wife.

E. H. O'Conner, Insurance Economics Society, adressed Retail Merchants Assn. of Richmond, Va., on plans for expansion of compulsory social insurance.

Speed Lamkin, whose first novel, "Tiger in the Garden," has attracted wide critical attention, is the son of **Mrs. Layton Speed Lamkin,** manager of the H. R. Speed insurance agency at Monroe, La. The agency was founded in 1901 by Mrs. Lamkins' father, and in 1946 she took it over and has conducted the business successfully since then. Speed Lamkin is 22 and is now living in New York working on a second novel.

American Associated group has presented silver 25 year representation plaques at banquets to Teninga Bros. agency of Chicago and to the Freese & Jefferson agency at Bloomington, Ill.

The **Lewis-Thompson** agency of Minneapolis has moved to new quarters at 430 McKnight building.

Nearly 100 attended the bosses' dinner of **Wichita Assn. of Insurance Women.** Vice-president Gladys Courtner, Beezley, Outland & Foote, presided in the absence of Marie Bieghler of the Benjamin agency. William A. Eakin, Employers Liability, Chicago, spoke on "The Place and Future of Women in the Insurance Business." President Courtner told of the growth of the Wichita group.

Assn. of Insurance Women of Jacksonville were hostesses to their employers at the bosses' cocktail party and dinner. Frank Rushton was the speaker. Mrs. Jenney Milan presided and the address of welcome was given by the president, Miss Charlie Mae Walton. A skit was presented called "The Tee Totalers."

Sprinkler Leakage Rates Down in N. Y.

Reductions in sprinkler leakage rates averaging approximately 24% will be available to property owners in New York state effective March 1 in accordance with the 1949 edition of the sprinkler leakage manual which becomes effective on that date, according to Allied Lines Assn.

The new manual abrogates all outstanding rates and becomes applicable only to new and renewal business effective on and after March 1. Cancellation to take advantage of new rates is on a short rate basis only. Existing rates will be revised and promulgated as quickly as facilities permit. Meanwhile, rates for new and renewal business will be promulgated upon application.

The 1949 edition of the manual will then be in effect in all states except Utah, Texas, Hawaii and Alaska. The manual changes are substantially those that went into effect in Maryland last July 1 and which were reported in detail in the July 7, 1949 issue of THE NATIONAL UNDERWRITER.

Downey Named Secretary of Citizens National Casualty

John Wilkins, president of Citizens National Casualty of Indianapolis, has announced the election of Grattan H. Downey as secretary. Mr. Downey has been state agent in eastern Indiana for North British.

Mr. Downey has been in the business since 1936. He traveled in Ohio, Pennsylvania and Illinois, and in 1943 was named manager at Indianapolis for Buckeye Union. He is president of Indiana Fire Prevention Assn., and guardian of Indiana Blue Goose, and is a past president of Indiana C.P.C.U.

Citizens National was organized by interests associated with Citizens National Life of which John Wilkins also is president. The company is comencing business with capital stock of $200,000 and surplus of approximately $300,000. Writings will be confined to full cover automobile.

Correction as to Seelig

In reporting the election of A. F. Seelig as vice-president in charge of casualty underwriting of American Casualty, the fact should have been stated that he will be in charge of all lines except A. & H. and fidelity and surety.

Okla. U. A. Session

The Oklahoma insurance department will sponsor an educational session on uniform accounting for domestic companies in Oklahoma City March 24. T. C. Morrill, deputy, and J. J. Higgins, head of the uniform accounting department, New York department, will conduct the sessions.

Mid-West Buyers Elect

New officers elected by directors of Mid-West Insurance Buyers' Assn. are: President Ray Gillan, bureau of safety; vice-president, Leo Faetz, Quaker Oats; secretary, Malcolm Tait, Commonwealth Edison; treasurer, L. J. Rounder, Continental-Illinois bank.

Mr. Gillan succeeds Gordon F. Purtell, American National bank. Messrs. Tait and Rounder were reelected.

W. C. Board Members in N. Y.

Gov. Dewey has named to the workmens compensation board Miss Dorothy Donaldson of New Rochelle, Frank Gugino of Buffalo and Fred E. Hammer of Queens, former state senator and member of the joint legislative committee on insurance.

Darrell F. Johnson, United States reinsurance manager of Guarantee of North America, has moved his offices from 68 William street to 32 Cliff street, New York City.

Uncollectible Auto Judgment Fund Proposed in N. Y.

A bill in the New York legislature, sponsored by the joint legislative committee on motor vehicle problems, would create a fund to pay uncollectible judgments arising out of accidents involving uninsured motorists. The fund would be created by upping the three-year auto driver license fee from $1.50 to $2. This, it is said, would produce around $833,000 a year since there are 5 million drivers.

The bill is an alternative to compulsory auto insurance, which does not have a chance to pass at this session. It would fix a ceiling of $5,000 obtainable from the fund as the result of an unsatisfied judgment involving injuries to one person, and $10,000 where more than one person is involved. It would pay property damage of $300 to $1,000. About 90% of New York automobiles are insured, leaving some 340,000 cars driven without coverage. Chances of passage are not regarded as too favorable at the moment.

Beginning with the second calendar quarter of 1950, the quarterly dividends of **American Re-Insurance** when declared, will be made payable in June, September, December and March on or about the 15th of the month instead of in May, August, November and February as heretofore.

Luther Mackall, retired vice-president of National Surety, will conduct a course in suretyship at Portland, Ore., March 6-11.

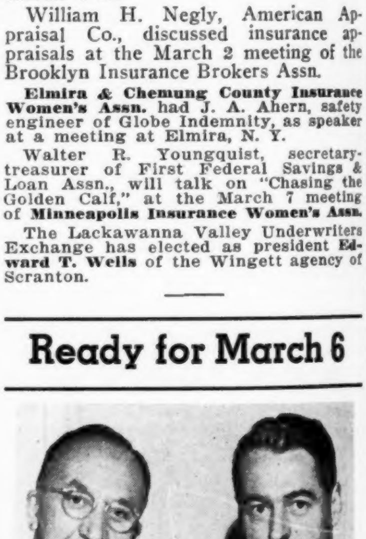
William H. Negly, American Appraisal Co., discussed insurance appraisals at the March 2 meeting of the Brooklyn Insurance Brokers Assn.

Elmira & Chemung County Insurance Women's Assn. had J. A. Ahern, safety engineer of Globe Indemnity, as speaker at a meeting at Elmira, N. Y.

Walter R. Youngquist, secretary-treasurer of First Federal Savings & Loan Assn., will talk on "Chasing the Golden Calf," at the March 7 meeting of **Minneapolis Insurance Women's Assn.**

The Lackawanna Valley Underwriters Exchange has elected as president **Edward T. Wells** of the Wingett agency of Scranton.

Ready for March 6



Edward D. Sweet (left) of the F. G. Schaefer agency, president of Insurance Club of Pittsburgh, who will deliver official welcome and policy statement for the club at the annual dinner during Pittsburgh Insurance Day, March 6.

At the right is Charles H. Kahrs, state agent for London Assurance, vice-president of Insurance Club and general chairman of Pittsburgh Insurance Day.

Agricultural Has Excellent Record

Agricultural and Empire State set an excellent record last year in respect of profits, increase in surplus and assets, President Ervin J. Dickey reported at the annual meeting.


Ervin J. Dickey

Policyholders surplus for Agricultural was $9,008,503, which was an increase of $1,958,057. Empire State had an increase of $402,243.

Assets of Agricultural were $23,481,344 and $5,034,213 for Empire State. Combined assets with inter-company holdings eliminated reached an all-time high of $27,034,077 which was an increase of $1,446,227. The loss ratio, including adjustment expense was 45.81 on earned premiums, while the expense ratio on a written basis was 42.29. There was a combined underwriting profit of $1,655,013.

Agricultural has declared a dividend of 75 cents payable April 1 to stock of record March 15.

American Reports in Superlatives

Assets and surplus of American group companies reached high levels in 1949 due to the exceptionally favorable underwriting and investment results.

American's gain from underwriting was $6,003,388 on premiums written totaling $49,102,325, an increase of $1,504,570. Premium reserve was increased $4,399,930 for a total of $43,795,860. Incurred losses decreased $3,159,466 to $18,113,592 for a ratio of 36.9% to written premiums, loss adjusting expense was 3.9% and general expenses including commissions was 38% for a total of 78.8%. Surplus was $32,120,229 and investment income during the year totaled $2,275,957. Policyholders' surplus increased $9,428,528 to $37,120,229. Based on actual Dec. 31 market quotations, the assets were $99,927,961, a gain of $15,215,488.

Taxes totaled $4,598,634.

Bankers Indemnity premiums totaled $10,845,697, a decrease of $1,696,661 incidental to field changes determined upon by management early in the year. The loss and loss adjusting expense ratio was 59.5% and the expense ratio 41.9 for a total of 101.4 on the basis of losses and expenses incurred to premiums earned, or a statutory underwriting loss of $161,131. Investment income amounted to $489,922 and policyholders' surplus increased $1,175,615 to $4,877,061. At market values assets were $18,164,133, a gain of $869,324 during the year.

Ind. Special Charter Insurer Must Report

An order that Firemen & Mechanics of Ft. Wayne had secured against the Indiana state auditor, to restrain him from requiring that insurance company to submit financial reports to the state, was dissolved by Superior Judge Pritchard of Marion county. This is a special charter company and the management contends that it holds a perpetual charter and is not required to make reports.

Judge Pritchard held, however, that the charter was for a specified time and the company is subject to the auditor's requirements.

Ready for Biloxi Meet

Southern Territorial Conference of N.A.I.A. at Biloxi March 16-18, is attracting much interest.

A golf tournament will be held both Friday and Saturday afternoons. A motor trip to Bellingrath Gardens in Mobile will be taken by the ladies Friday.

An added starter has been announced in the engagement of James D. Arrington, editor and publisher of "Collins News-Commercial" and mayor of Collins, Miss., as the featured speaker for the banquet.

Louisiana-Mississippi Assn. of General Agents will be host at a dance following the cocktail party and buffet Friday. A. F. Irby & Co., Atlanta general agents, will entertain at the cocktail party.

Wood Now Vice-President

National Fidelity Life has appointed Kent W. Wood as vice-president in charge of A. & H. Mr. Wood joined the company in 1946 and has been assistant secretary. He is a navy veteran.

McKenna Now Head Man

Due to the fact that Craig Cunningham of Zurich is being transferred to New York, Assn. of Casualty & Surety Managers of Chicago of which he was president, has elected a new slate of officers. President now is Harold A. McKenna of Phoenix-London; vice-president, J. H. Richardson, Standard Accident; secretary, W. J. Jeffery, U S. F. & G., and assistant secretary, Charles Rauschenbach, Ocean Accident.

U. S. Chamber Protests Tax Treatment of Fire Losses

WASHINGTON — Chairman Ellsworth Alvord of the U. S. Chamber of Commerce's finance committee told the House ways and means committee Tuesday that "it is unsound policy to force taxpayers to treat" gains or losses realized on the involuntary conversion of property by fire or other casualty, destruction, etc., as capital losses under section 117 (j) of the revenue law.

Mr. Alvord said the effect of this treatment in many cases is to disallow such deductions almost entirely.

New Edition of Mich. Code

LANSING, MICH. — An improved edition of the Michigan insurance code has been sent to the printers and will be available for distribution about April 1. It contains all amendatory legislation through the 1949 legislative session.

The department has an appropriation to finance a much more complete and elaborate edition, which not only will be adequately indexed but will be tied into attorney general's rulings, the state administrative code and pertinent court decisions.

Elect at Newton March 7

Newton (Kan.) Insurance Board is holding its annual meeting March 7. Pat Hogan of Central Securities agency is retiring president and D. R. Brittain of the B. H. Northcutt agency, secretary.

Minnick Is C.P.C.U. Leader

The C.P.C.U. class of Hutchinson (Kan.) Insurance Board was conducted by Homer Minnick, Central Surety, Wichita, on "Owners and Contractors Protective Liability" and "Products Liability."

Dickey Seeks Second Term

Commissioner Dickey of Oklahoma has announced his candidacy to succeed himself on the Democratic ticket. He was appointed in 1946 to succeed the late Jesse G. Read and was elected that year for a four-year term. He lost his right arm while serving with the marines in the Pacific theater.

INSURANCE NEWS BY SECTIONS

COAST

Full Program for F.U.A.P. Announced

Commissioner Downey of California will make the welcoming address at the annual meeting of Fire Underwriters Assn. of the Pacific, March 8-9 at San Francisco.

Wednesday morning's program will include committee reports and talks by President H. W. Semmelmeyer, Planet, and A. J. Snow, manager at Portland, Ore., Pacific Fire Rating Bureau, on "An Excursion in Loss-Cost Rating."

The afternoon program will be highlighted by an address by F. B. Whitman, president Western Pacific Railway. Other speakers and their subjects are: D. E. Walker, assistant manager Phoenix-Connecticut, Los Angeles, "CPCU—the Insurance Man's Goal"; Commissioner Holmes of Montana, "An Insurance Commissioner Thinks Out Loud," and Joseph E. Joseph, assistant manager Commercial Union, "The Multiple-Line Fieldman."

Thursday sessions include talks by Harold E. Barnhart, president California Assn. of Insurance Agents, on "But, Have You Looked Around Lately"; Eugene F. Gallagher, manager special service department, Standard of Detroit, "A Company Educational Department," and Willard R. Kaufman, special agent Fireman's Fund, "A Young Man's Educational Problem."

R. B. Masters, Security of New Haven, is slated to become president, and John M. Wylie, Springfield F. & M., vice-president.

The annual banquet will be held Thursday night.

Business Interruption Panel

A panel on business interruption insurance was conducted by the Oakland Insurance Forum for the benefit of Berkeley Assn. of Insurance Agents.

Speakers included A. S. Tomlinson, special agent of Boston; R. C. Morrill, agency superintendent Aetna Fire; C. R. Turner, K. G. White & Co., and George E. Nichols, Ramsden & Co. Donald Campbell, Mason-McDuffie Co., Berkeley agency, was chairman.

Cal. Business Taken Over

Reinsurance Underwriters of San Francisco has taken over the California business of D. K. MacDonald & Co. of California, which has operated in that state since 1946 as a surplus line brokerage firm.

Otis Clark, president of Reinsurance Underwriters, was vice-president of D. K. MacDonald & Co., as well as California manager.

The acquisition does not affect the original D. K. MacDonald & Co. marine insurance surplus line organization at Seattle.

Hitke & Co. General Agents

Kurt Hitke & Co., Los Angeles, have been named general agents of Beneficial Fire & Casualty for motor vehicle lines in the western states where the company is licensed for automobile business. The policies will all be issued from the Los Angeles office.

Plan Coast P. R. Conference

Delegates to the Far West Agents Conference, Insurance Brokers Exchange of California, Society of Insurance Brokers and all the field men's clubs in the coast and mountain states have been invited to participate in the annual conference sponsored by the public relations committee of the Pacific Board. The conference is planned for April 17 when the Far West Conference will be in session at San Francisco.

Form Fruit Growers Mutual

VANCOUVER — British Columbia Fruit Growers Assn. has applied to the provincial government for a license to incorporate British Columbia Fruit Growers Mutual Hail. The license is expected to be issued before the spring.

Portland Agents Hear P. D. Talks

Property damage under the comprehensive liability policy was discussed by Julius E. Finke, Portland, Ore., manager for Swett & Crawford, and Terry Cole, manager of the firm's claims department, at a luncheon meeting of Portland Assn. of Insurance Agents.

Insurance Women of Tacoma entertained their bosses at a cocktail party and dinner. Detective John Kendersi, Pierce county sheriff's office, demonstrated a lie detector.

MIDDLE WEST

A. L. Stewart Vice-President of Dickinson & Co. Agency

Alfred L. Stewart has joined the Dickinson & Co. agency of Cleveland as vice-president with supervisory and underwriting responsibilities. He was with Royal as an underwriter at Cleveland for several years and then was in the field for Accident & Casualty and Trinity-Universal. He has also had agency experience.

Tom Schmidt, who has been accountant and auditor of the agency, has now been elected a director and secretary. He was at one time with the Ohio industrial commission, also with Woodall Industries.

F. P. Certificate to Topeka

Mayor Warren of Topeka was presented a certificate of merit from Kansas Fire Prevention Assn. for the city's participation in Fire Prevention Week activities last fall by Kenneth Stoike, National state agent. Webb Woodward and William Wanamaker represented the Topeka Insurors at the presentation, Mr. Wanamaker having been 1949 fire prevention chairman and Mr. Woodward the new 1950 chairman.

Schroeder Council Chairman

ST. LOUIS — Paul J. Schroeder, Eggert-Carroll-Schroeder agency, has been elected chairman of Insurance Council of St. Louis. Richard A. Hallahan, Loyalty group, was elected secretary.

The council is composed of representatives of the various fire and casualty insurance organizations in St. Louis.

Opens New Ulm Agency

Edward N. Larson has formed the Service Insurance Agency at 1212 North Minnesota street, New Ulm, Minn. He and Mrs. Larson originated there. He graduated at Luther College and at University of Minnesota law school. He is a war veteran and for 2½ years was claims adjuster for Minneapolis Lloyds.

Kansas City Agencies Merge

The Sam E. Busler & Co. agency, Kansas City, has merged with Mann, Kerdloff, Kline & Welsh. Offices will be continued in the Fairfax building. Mr. Busler is not retiring.

To Entertain Visiting Women

St. Paul Assn. of Insurance Women has named a group of its members to assist the convention committee of Minnesota Assn. of Insurance Agents at its midyear meeting at St. Paul March 16-17. Lucille Arthur of W. A. Lang, Inc., is chairman. A bridge tea and canasta party are being arranged for the visiting women.

C.P.C.U. Course at Topeka

A C.P.C.U. course has been established at Washburn Municipal University, Topeka, in cooperation with Topeka Insurors. It is open to both stock and mutual agency representatives. The first section is being given at this time, with the schedule set up so that the course can be completed in 2½ years.

Neiswanger Topeka Chief

David M. Neiswanger, president of Neiswanger Co., has been elected president of Topeka Insurors, succeeding Jack Ingenthron of Prudential Investment Co. Bernard M. Kane of the Robert B. Kane agency is now vice-president and George Staebler, Jr., Meade Co., was renamed secretary.

La Crosse Scandinavian Mutual of Holmen, Wis., observed its 75th anniversary with a dinner at La Crosse.

The C. O. Deighton agency, **Great Bend, Kan.,** has been incorporated as Deighton & Co, with Clyde R. Lillard a new partner.

The Bert Cornelison agency at **Bethany, Kan.,** was burned out in a fire which destroyed its building.

Henry F. Pierce, who operates an agency at **Hays, Kan.,** has purchased the Milo Sidwell agency at Plainsville.

Irven Horst has become partner in the Glen Weien agency at **Ottawa, Kan.**

A. H. McCarty and Frank E. George of **Altamont, Kan.,** have merged their agencies under the firm name of George & McCarty.

Fred E. Shearer & Son agency at **Bay City, Mich.,** has taken over the Jennison agency there because of the illness of Mrs. Marie B. Jennison, who has operated the agency since the death of her husband, Frank W. Jennison.

SOUTH

R. R. PR Man to PR Job for Texas Advisory Unit

Jack R. Maguire has been appointed director of public relations for Texas Insurance Advisory Assn. He attended North Texas State Teachers College, was on the Denison, Tex., "Herald," then returned to college and graduated in journalism at University of Texas. He was in the public relations department of the Katy Railroad at St. Louis two years, and for the past year has been in the same work for Texas & Pacific Railroad. His age is 31.

Jack R. Maguire

N. C. Tobacco Hail Rates May Be Cut in 37 Counties

RALEIGH — No opposition developed at a public hearing held here on a tobacco crop hail insurance filing by North Carolina Fire Insurance Rating Bureau. The filing would increase rates in seven counties, reduce them in 37 counties and leave them unchanged in the other 56 counties.

Proposed increases and decreases range from 50 cents to $1, with a new minimum of $3 instead of $3.50. Net reductions would total about $147,000 annually.

Commissioner Cheek promised an early ruling so the new rate schedule can apply to policies sold on this year's crop.

S. C. Fire Rate Cut Amounts to $1,400,000

Commissioner Murphy of South Carolina announces that fire insurance rate reductions estimated to represent a saving of $1,400,000 a year, have been filed by South Carolina Inspection & Rating Bureau. The effective date is March 15. The reduction applies to city dwellings and also farm property, mercantile classes, banks and officers, builders' and carpenters' risks, churches, garages and hotels.

A new procedure for rating tobacco curing and pack barn results in a substantial reduction in cost.

Tenn. Mutual Agents Clinics

NASHVILLE — Tennessee Assn. of Mutual Insurance Agents staged a fire and casualty "clinic" here, with a second meeting for agents of east Tennessee at Knoxville the following two days. Robert Kirby, Cookeville, and D. E. Andrews, Nashville, headed the fire discussion panel and John Walker, Atlanta, and Joe Kinard, Greer, S. C., the casualty panel. About 50 agents and office personnel attended each meeting. Sam Kirkpatrick, Nashville, is president of the state association.

Continue Va. Code Work

RICHMOND — The house of delegates has passed a bill directing the Virginia advisory legislative council to continue its revision of the state's insurance laws.

Southern 1752 Club Elects

Southern 1752 Club at its annual meeting at Pinehurst, S. C., elected Henry Haywood, Northwestern Mutual, Raleigh, president; H. D. Kephart, Central Manufacturers Mutual, Clayton, N. C., secretary, and A. H. Campbell, Utica Mutual Casualty, Richmond, Va., treasurer.

Miss. Sales Tax Issue

A revision of the Mississippi sales tax law has passed the house and this includes deletion of the present specific exemption of insurance companies from sales tax.

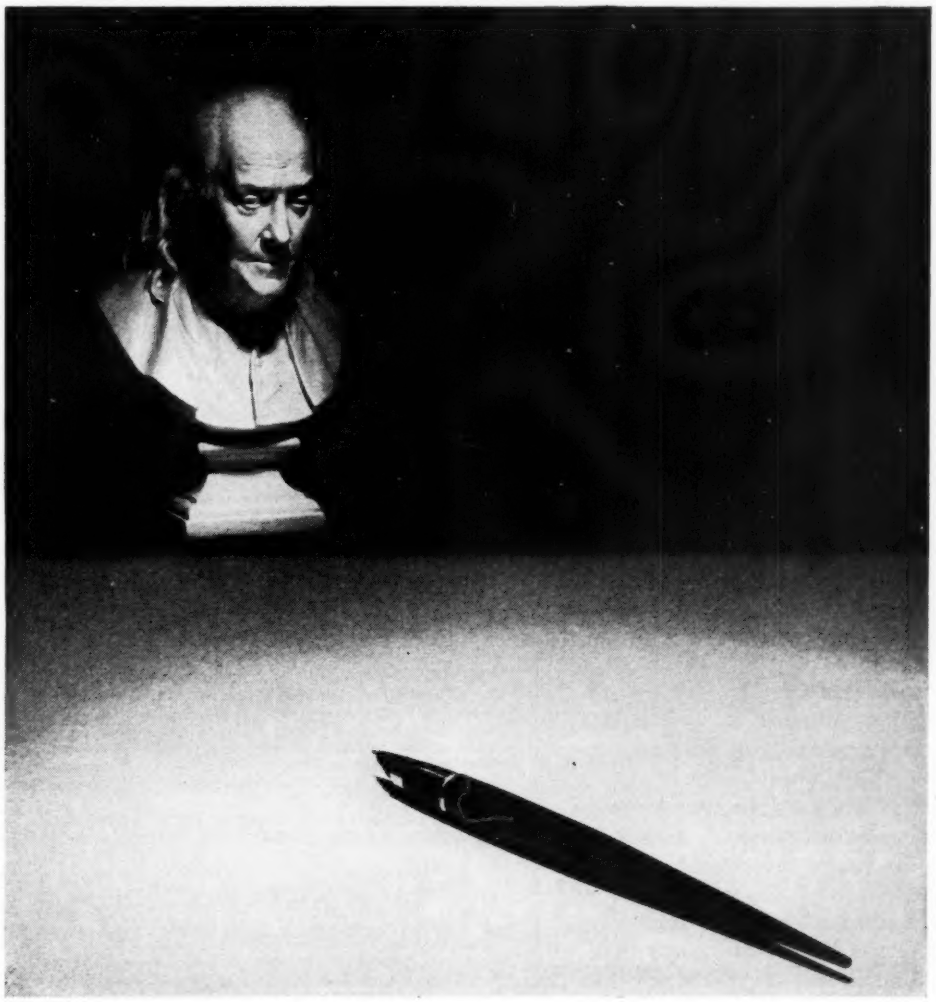
One theory is that the sales tax law does not levy a tax on premiums; therefore, the exemption of insurance companies is superfluous. However, the insurance people are much opposed to elimination of the exemption because they feel it might lead to litigation, and it might be construed as an intention of the legislature to propose a tax on premiums.

The insurance interests in the state are building quite a bonfire on this issue.

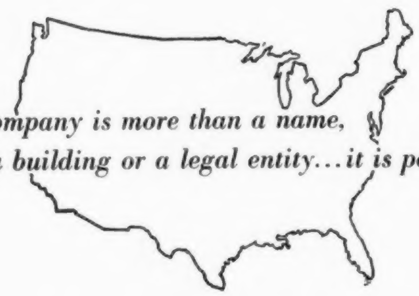
Combat Socialistic Moves

Dave R. McKown, president of Oklahoma Assn. of Insurance Agents, is alerting the organization to the possibility of socialized business, not only in Oklahoma but throughout the country, including workmen's compensation, non-occupational accident and sickness disability operated on a monopolistic pattern and the like. The association has set up a committee to investigate national and local developments along such lines. It includes W. A. Wilson of Tulsa, chairman; A. L. Morley and Fred Daniels, Tulsa; E. R. Ledbetter and H. T. Moran, Oklahoma City.

Oklahoma City Insurance Women's Club heard reports on the most interesting points gleaned at national conventions since 1940.



A friendly property insurance company reports to the American people



A company is more than a name,
a building or a legal entity... it is people

Behind The Home's financial condition stand important human assets—the people who own this Company, the people who work with us and the people who are served by the Company.

The Home is owned by many people. It serves many people—in all walks of life, in all parts of the country, in many other parts of the world. You or your neighbor, whether a policyholder or a stockholder, or a prospective one, are important to The Home Insurance Company.

Through its more than forty thousand representatives, The Home Insurance Company is today the leading insurance protector of American homes and the homes of American industry. Its size and strength enable it to serve the smallest as well as the largest insurance need.

For almost a hundred years, The Home has stood between property owners and the risk of sudden financial loss. The homes and business futures which have been restored are beyond estimate. Since the founding of the Company, Home policyholders have been reimbursed for more than a billion and a half dollars in financial losses.

Because The Home's business is to protect property values in which so many people are concerned, and because the loss of such values would affect the economy of the country, this statement of The Home's financial condition may be of interest to the public.

Sincerely,

PRESIDENT

Balance Sheet

December 31, 1949

ADMITTED ASSETS	*DECEMBER 31, 1949
Cash in Office, Banks and Trust Companies	$ 35,561,204.01
United States Government Bonds	110,418,558.10
Other Bonds and Stocks	143,358,542.85
Investment in The Home Indemnity Company	7,690,736.20
First Mortgage Loans	3,017.83
Real Estate	4,477,325.36
Agents' Balances, Less Than 90 Days Due	14,370,413.65
Reinsurance Recoverable on Paid Losses	374,237.35
Other Admitted Assets	1,891,094.14
Total Admitted Assets	$318,145,129.49

LIABILITIES	
Reserve for Unearned Premiums	$146,128,831.00
Reserve for Losses	30,890,845.00
Reserve for Taxes	13,900,000.00
Liabilities Under Contracts with War Shipping Administration	1,608,917.08
Reinsurance Reserves	1,191,579.00
Other Liabilities	3,057,570.33
Total Liabilities Except Capital	$196,777,742.41
Capital	**$ 20,000,000.00**
Surplus	**101,367,387.08**
Surplus as Regards Policyholders	**121,367,387.08**
Total	$318,145,129.49

***NOTES:** Bonds carried at $5,376,605.79 Amortized Value and Cash $80,000.00 in the above balance sheet are deposited as required by law. All securities have been valued in accordance with the requirements of the National Association of Insurance Commissioners. Assets and Liabilities in Canada have been adjusted to the basis of the free rate of exchange. Based on December 31, 1949 market quotations for all bonds and stocks owned, the Total Admitted Assets would be increased to $319,766,705.54 and the policyholders' surplus to $122,988,963.13.

Directors

LEWIS L. CLARKE
Banker
CHARLES G. MEYER
The Cord Meyer Company
WILLIAM L. DEBOST
Chairman, Union Dime Savings Bank
EDWIN A. BAYLES
Lawyer
GEORGE MCANENY
Vice Chairman, Wills & Trust Committee, Title Guarantee & Trust Company
GUY CARY
Lawyer
HAROLD V. SMITH
President
HARVEY D. GIBSON
President, Manufacturers Trust Company
FREDERICK B. ADAMS
Chairman of Executive Committee, Atlantic Coast Line Railroad Co.
ROBERT W. DOWLING
President, City Investing Co.
GEORGE GUND
President, Cleveland Trust Co.
HAROLD H. HELM
President, Chemical Bank & Trust Co.
CHARLES A. LOUGHIN
Vice President & General Counsel
IVAN ESCOTT
Vice President
C. STEVENSON NEWHALL
Chairman of Board, Pennsylvania Co. of Philadelphia
PERCY C. MADEIRA, JR.
President, Land Title Bank & Trust Co.
EARL G. HARRISON
Lawyer
CHAMPION MCDOWELL DAVIS
President, Atlantic Coast Line Railroad Co.
WARREN S. JOHNSON
President, Peoples Savings Bank & Trust Co. of Wilmington, N. C.
ROGER W. BABSON
Chairman of Board, Babson's Reports, Inc.
ROBERT B. MEYER
The Cord Meyer Company
HENRY C. BRUNIE
President, Empire Trust Company
HARBIN K. PARK
President & Director, First National Bank of Columbus, Ga.
BOYKIN C. WRIGHT
Lawyer
LEROY A. LINCOLN
President, Metropolitan Life Insurance Company
THOMAS J. ROSS
Senior Partner, Ivy Lee and T. J. Ross

☆ THE HOME ☆
Insurance Company

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE • PROPERTY INSURANCE

The Home Indemnity Company, an affiliate, writes Casualty Insurance, Fidelity and Surety Bonds